



Workmen's
Compensation
Board

Annual Report 1980

CA20N

L 90

- A56

'S COMPENSATION BOARD. REPORT





Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761116530528>

Annual Report 1980

The Honourable John B. Aird,
O.C., Q.C., L.L.D.,
Lieutenant Governor
of Ontario

The Workmen's
Compensation Board is pleased
to submit its annual report of
operations for 1980.

Lincoln M. Alexander, Q.C.
Chairman



Workmen's
Compensation
Board

2 Bloor Street East
Toronto, Ontario
M4W 3C3

Contents

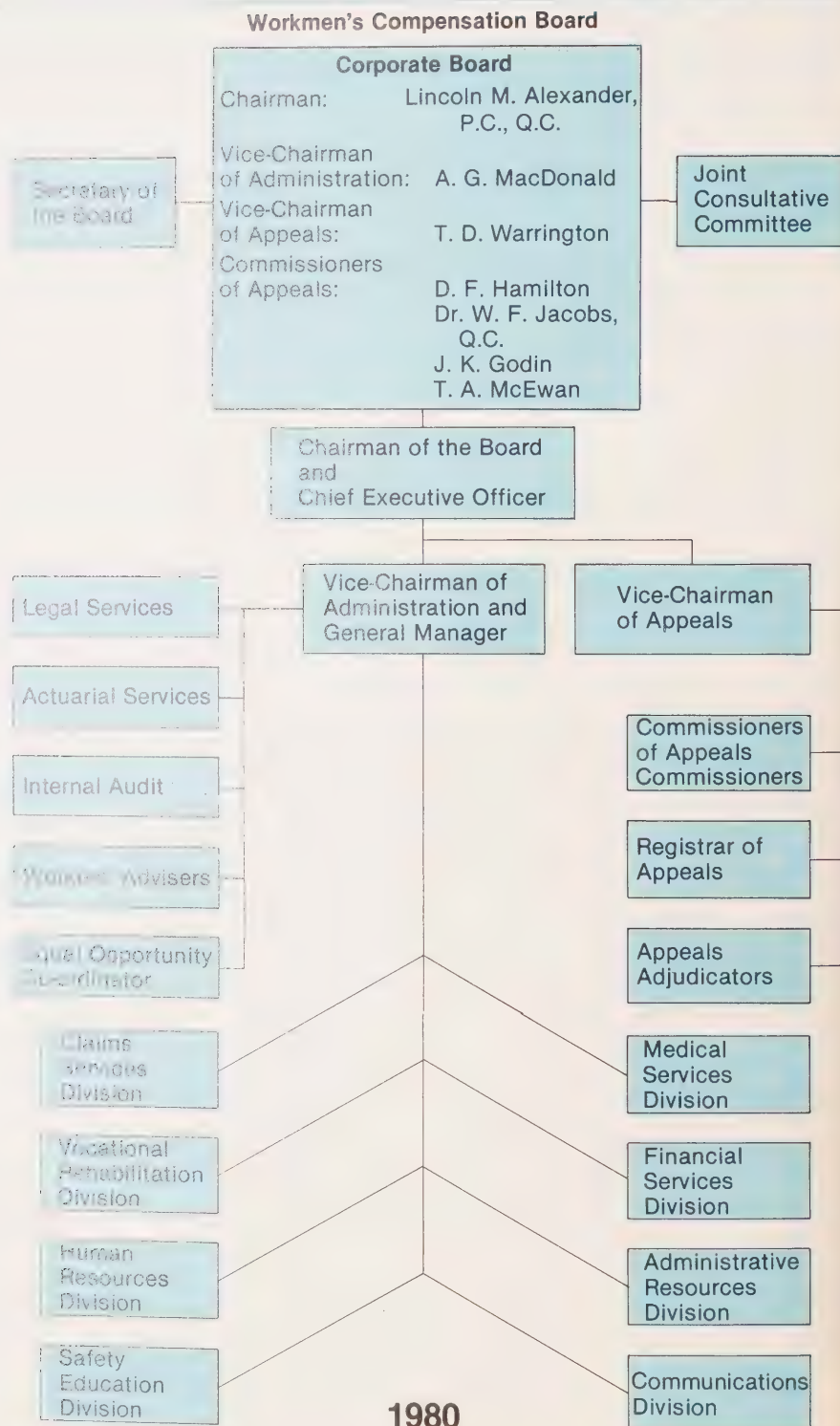
| | Page |
|---------------------------------------|-------|
| Summary of Operations | 5 |
| Organizational Chart | 6 |
| The Corporate Board | 7 |
| The Appeals System | 10 |
| Workers' Advisers | 13 |
| Division Activities | |
| Claims Services Division | 14 |
| Medical Services Division | 25 |
| Vocational Rehabilitation Division | 31 |
| Administrative Resources Division | 34 |
| Financial Services Division | 38 |
| Legal Services | 41 |
| Actuarial Services | 41 |
| Safety Education Division | 42 |
| Human Resources Division | 44 |
| Equal Opportunity Program | 45 |
| Communications Division | 46 |
| Financial Statements | 49-62 |

Workmen's Compensation Board
Summary of Operations
Year Ended December 31, 1980

| | 1980 | (000's) 1979 |
|---|----------------------|----------------------|
| Payroll upon which assessment revenue was based | *\$32,600,000 | *\$30,600,000 |
| Incidents reported as work injuries | 444,674 | 460,972 |
| Schedule 1 of the Act | | |
| Schedule 1 benefits paid and awarded | | |
| Medical Aid paid | 64,793 | 61,117 |
| Compensation paid | 259,112 | 208,935 |
| Rehabilitation paid | 8,673 | 6,922 |
| Pensions awarded | 141,887 | 111,178 |
| | \$ 474,465 | \$ 388,152 |
| Silicosis benefits | | |
| Medical Aid paid | 64 | 119 |
| Compensation paid | 110 | 118 |
| Rehabilitation paid | - | - |
| Pensions awarded | 1,217 | 1,153 |
| | \$ 1,391 | \$ 1,390 |
| Total | \$ 475,856 | \$ 389,542 |
| Legislative Amendments | - | 190,000 |
| Total payments and awards under Schedule 1 of the Act. | \$ 475,856 | \$ 579,542 |
| Schedule 2 of The Workmen's Compensation Act and Federal Government Employees Compensation Act | | |
| Schedule 2 benefits paid | | |
| Medical Aid paid | 6,778 | 6,914 |
| Compensation paid | 16,991 | 13,992 |
| Rehabilitation paid | 423 | 321 |
| Pensions paid | 17,092 | 13,711 |
| | \$ 41,284 | \$ 34,938 |
| Compensation paid directly by Schedule 2 employers | 14,185 | 11,668 |
| Total benefits paid under Schedule 2 | \$ 55,469 | \$ 46,606 |
| Awards and payments (exclusive of legislative increase above) | \$ 531,325 | \$ 436,148 |
| Legislative increases | \$ - | \$ 190,000 |
| Awards, payments and legislative increases | \$ 531,325 | \$ 626,148 |

* Estimated adjusted payroll

Organizational Chart



The decentralization of claims adjudication and allied functions was one of the major achievements of the Corporate Board during 1980. Other important events included changes in the membership of the Board, the conclusion of a reciprocal agreement with the Italian WCB and the commencement of the Weiler study into workers' compensation.

The Corporate Board

Corporate Board

Members of the Board — usually referred to as the Corporate Board to distinguish it from the Workmen's Compensation Board as an organization — are appointed by the Lieutenant Governor-in-Council. The Corporate Board is responsible for all policies and programs. It consists of the Chairman, who is the chief executive officer of the Board; the Vice-Chairman of Administration, who is the chief administrative officer and general manager; the Vice-Chairman of Appeals; and four Commissioners of Appeals.

New Members

The following changes took place during 1980 at the Corporate Board level: following a distinguished service as Chairman since 1973, the Honourable Michael Starr, P.C., retired and the Honourable Lincoln M. Alexander, P.C., Q.C., was appointed Chairman of the Board effective June 1, 1980. Upon the retirement of Mr. G.W.T. Reed, Q.C., Mr. T.D. Warrington replaced him as Vice-Chairman of Appeals, effective May 1, 1980. Mr. T.A. McEwan was appointed Commissioner of Appeals, also as of May 1.



T. D. Warrington

Lincoln M. Alexander is sworn in as ninth Chairman of the Ontario Workmen's Compensation Board; (left) Dr. Robert Elgie, Minister of Labour, and (right) J. E. Tangney, deputy clerk, executive council, Ontario Government.



J. A. McEwen

Board Meetings

Throughout 1980 the Board attended regularly scheduled meetings with the Ministry of Labour and also met with the Minister and the Deputy Minister as required, to discuss various policy and administrative issues.

As a body corporate, the Board held 25 formal meetings. In addition, the Board, or its members, continued the customary practice of meeting with representatives of organized labour, trade and employer associations or groups, the professions, members and committees of the Ontario Government, the Ombudsman, the Joint Consultative Committee, and other delegations or individuals. These meetings provided opportunities for an exchange of views on many current issues,

such as the changing scene in social philosophy, the benefits provisions, administrative practices and other matters relating to workers' compensation in Ontario, elsewhere in Canada and abroad.

Decentralization Pilot Project

In December 1979, the Board authorized a pilot project in the decentralization of claims adjudication and related functions at the Board's area offices in Sudbury and London. The preparations for implementation of this decision were concluded toward the end of 1980. The Sudbury office began functioning as a decentralized office with a total staff of 113 (98 of whom were recruited locally) on November 3, 1980. The London office, with a total staff of 110 (86 recruited locally), began decentralized operations on December 1, 1980.

INAIL Agreement On February 27, 1980, the Board concluded a reciprocal agreement with the Italian Compensation Board (INAIL), providing for medical examinations and treatment of injured workers from Ontario residing in Italy and injured workers from Italy residing in Ontario. This agreement was subsequently ratified by the Italian Government in August, 1980.

Weiler Report On January 30, 1980, the Government of Ontario appointed Professor Paul C. Weiler to study and make recommendations on Ontario's workers' compensation system and its administration. The Board assisted Professor Weiler by arranging that the preparation of reports, research studies and other background material, compilation of data and related tasks be carried out by the most knowledgeable and experienced staff of the Board.

Management Committee The Management Committee, comprised of the executive directors of the eight operating divisions of the Workmen's Compensation Board, and chaired by the Vice-Chairman of Administration, met formally at 25 regularly scheduled agenda meetings and on many other occasions to discuss and review the progress of a variety of tasks and projects. As members of the Management Committee and/or the Systems Development Steering Committee, the executive directors initiated or reviewed the development and revision of policy documents, adjudication guidelines, administrative plans and procedures — for subsequent presentation to the Corporate Board.

Joint Committee The Board's Joint Consultative Committee, in addition to special meetings with Professor Weiler, the Corporate Board and the new Chairman of the Board, held 10 formal meetings. The committee discussed various facets of The Workmen's Compensation Act, its administration, and the impact of developments in other compensation jurisdictions on the Ontario Act and the Board's organization.

For the WCB's two-level appeal system, 1980 was marked by a decrease in the number of appeals heard, and by policy changes aimed at improving services.

Appeals System

Two-Level System

The appeals system, which is organizationally separate from other Board operations, hears and decides appeals from any party who feels its interests are adversely affected by a Board decision.

In the first step of the system, an appeals adjudicator reviews the claim in question and may:

- 1) decide the appeal on the basis of the information on file;
- 2) call a hearing before an appeals adjudicator; or
- 3) refer the appeal to an appeal board of three commissioners for a hearing.

The system allows for concerned parties to request that an appeal be heard by an adjudicator rather than be referred to an appeal board. As well, an appeals adjudicator's decision may be appealed to the appeal board.

Appeals Down During 1980 appeals adjudicators heard 2,791 appeals, a slight decrease from the 2,795 appeals heard in 1979. The appeal boards heard 1,064 appeals, a decrease of more than 32 per cent from the previous year.

The decline in appeal board hearings appears to be due to a number of factors. First, more appellants, usually on the advice of their representatives, asked for a hearing and a decision by an appeals adjudicator rather than an appeal board. Second, the percentage of appeal cases allowed at the appeals adjudicator level rose,

thereby reducing the potential number of cases that could be appealed at the second level of the system. Third, the slight decline in the number of appeals at the appeals adjudicator level again reduced the number of cases that might ultimately have been heard by an appeal board.

Postponements

Reduced As of January 14, 1980, a new procedure was instituted in an effort to reduce the number of hearing postponements requested by appellants or their representatives. Parties asking for a summary of information (a digest of a claim file provided by the Board) or a transcript of an appeals adjudicator hearing are requested to review the information in these documents before asking that a hearing date be set. This change has been well received by appellants' representatives, as it allows them more time to fully prepare their appeals.

Apart from reducing requests for postponements, it appears this advance review of documents is a factor in many parties' decisions not to proceed with an appeal. While the number of summaries of information provided during 1980 increased 49.6 per cent to 2,827, the overall number of appeals heard at both levels of the system declined. (Thus, this new procedure may be a fourth reason for the decline in the number of appeals.)

Appeals Allowed It also appears that cases which *do* proceed to a hearing are those with more merit. In 1980 the percentage of claims allowed or partially allowed by appeals adjudicators increased significantly to 53 per cent from the 1979 level of 43.9 per cent. The appeal boards had a smaller increase to 41 per cent from 39.4 per cent.

Optimum Scheduling

With a view to allowing all parties proper preparation time for an appeal, experience has shown that the optimum scheduling time — the period between the receipt of an appeal and the hearing date itself — is five weeks for appeals adjudicator and four weeks for appeal board hearings. (Urgent cases are heard more quickly as required.)

Scheduling time at both levels of the appeals system was at the optimum for virtually all of 1980. This represents an improvement over 1979's year-end averages, which were six weeks for adjudicator hearings and four-and-a-half weeks for appeal board hearings.

Appeals Decisions

During 1980 efforts were increased to resolve appeals promptly once they had been heard. Since some follow-up enquiry is necessary after the hearing in about 30 per cent of appeals adjudicator cases and 60 per cent of appeal board cases, staff strove to obtain prompt responses from the concerned parties. As a result, the proportion of cases heard by appeals adjudicators but undecided by year-end was reduced from 10.6 per cent to 8.4 per cent. The average time from an appeals adjudicator hearing to the date the decision was mailed was approximately 26 calendar days.

Similarly, cases heard by the appeal board but not decided by year-end were reduced to 18.7 per cent from 22.4 per cent in the previous year. The average time from the hearing to mailing of the decision dropped 7.6 calendar days to 50.3.

Representatives at Hearings

At both levels of the appeals system, workers' advisers (whose services are provided free of charge by the WCB) and trade union representatives continued to appear most frequently on behalf of appellants. Employers' representatives attended 42 per cent of appeals adjudicator hearings and 43 per cent of appeal board hearings.

The Appeals System



Appeals adjudicators discuss dates and arrangements for hearings outside Toronto.

Hearing Trips While most appeals were heard at the Board's head office in Toronto, appeals adjudicators and appeal boards continued their schedule of trips to seven other cities: Timmins, Thunder Bay, Sault Ste. Marie, Ottawa, London, Windsor and Sudbury. In 1980 appeals adjudicators made 93 trips in order to con-

duct hearings at the location that was most convenient to the appellant.

The appeal boards make a hearing trip every two weeks, visiting each of the seven cities in sequence. The appeal boards will hear a case in the location nearest to the appellant or in Toronto, whichever provides the earliest hearing date.

Workers' Advisers

Workers' advisers, on request, assist injured workers or their dependants with their appeals by preparing their cases and representing them at both levels of the appeals system. They also assist and advise employers on request, but do not represent them at hearings. Workers' advisers also provide advisory services to outside agencies on all aspects of appeals procedures and Board policies. The advisers are independent of the entire adjudicative and appeals functions, and have complete freedom of action in representing the interests of the worker.

Adjudicator Hearings

The advisers represented 263 appellants before appeals adjudicators, an increase of 14 per cent over 1980. In 160 cases the appeals were allowed in full or in part, while 101 were denied and 37 were still pending at year-end. Three of these hearings were held outside Toronto.

Board Hearings At the appeal board level, workers' advisers represented 369 appellants, a decrease of 28 per cent from 1979. Total or partial allowances were made in 186 cases, denied in 217 cases and 56 were still pending at year-end. In 78 cases, the worker was represented at hearings outside of Toronto, while in 15 instances representations took place in the absence of the appellant.

Overall Decrease With both levels of the appeals system considered, representations decreased 15 per cent in 1980.

In addition to representations at hearings, workers' advisers assisted 49 appellants in preparing and submitting their cases to various administrative branches. Of these cases, 44 were allowed and five were denied without hearings.

Decentralization of claims adjudication and implementation of amendments to The Workmen's Compensation Act were the two major challenges met successfully by the Claims Services Division in 1980.

Claims Services Division

The division's responsibility is to provide effective, equitable and responsive claims services. It strives to adjudicate claims as quickly as possible and provide injured workers with all the benefits they are entitled to under The Workmen's Compensation Act. The three branches of the division are Claims Adjudication, Claims Review and Claims Information and Counselling Services.

ADJUDICATION BRANCH

Volume of Claims A total of 444,674 claims were reported in 1980, a decrease of 3.5 per cent from 460,972 in 1979. (See Table 1.) The 1980 figure represents an average workload of 1,819 new claims each working day. (For a breakdown of benefits paid out, see the Summary of Operations and Financial Statements.)

Of the claims reported, 55.4 per cent (246,255) were accepted as no-lost time claims (for accidents which necessitated medical treatment, but no time off work beyond the day of the accident).

Another 37.1 per cent (165,221) of the claims reported were accepted as lost-time claims (involving time off work and thus, compensation payments).

During the year 6.4 per cent of the claims reported (28,332) were denied as not being allowable under the terms of The Workmen's Compensation Act.

Finally, 1.1 per cent (4,866) of the claims received were withdrawn, or incorporated with existing claims.

In 1980 entitlement for survivors' pensions was established in the cases of 272 industrial fatalities (not all of which are included in the above figures, since in some cases the accident took place prior to 1980). By comparison there were 276 entitlements established in 1979.

Of the 1980 total, 213 cases were fatalities resulting from injuries and 59 were disease fatalities.

Denial Decisions In 1980, as in other years, most denials were "administrative" decisions. An administrative decision is one in which the claim is not eligible for consideration under the Act because the worker does not have the right to claim compensation or did not exercise that right.

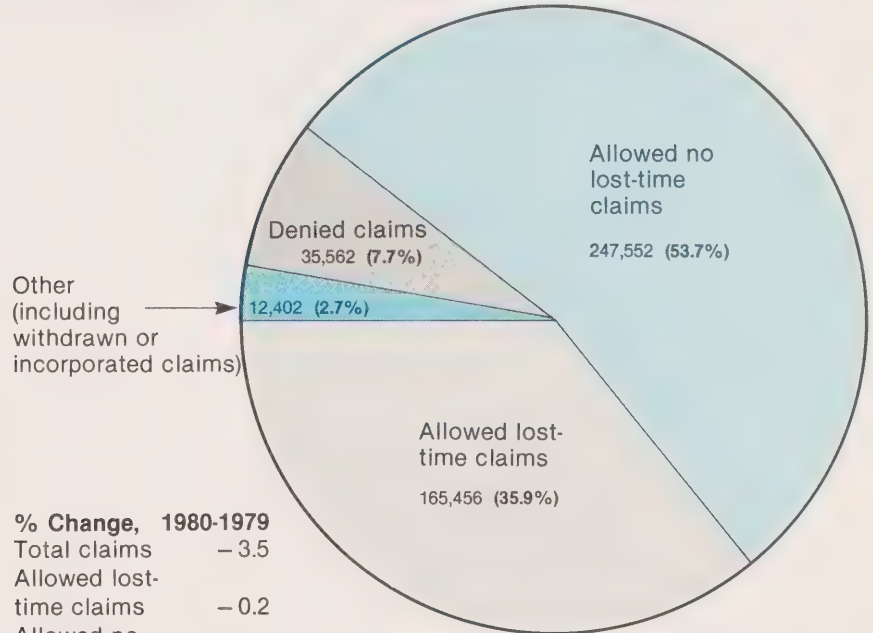
Typical administrative denials include:

- claims made by persons who do not have workers' compensation coverage.
- claims in which no further action is taken after the worker does not reply to Board enquiries concerning the accident (such claims can be reopened at any time on the worker's initiative).
- claims which should not have been sent to the Board because they involve incidents that are outside its jurisdiction (for example, claims for accidents that occurred at home).

Claims Services Division

Table 1
Volume and Type
of Claims Allowed

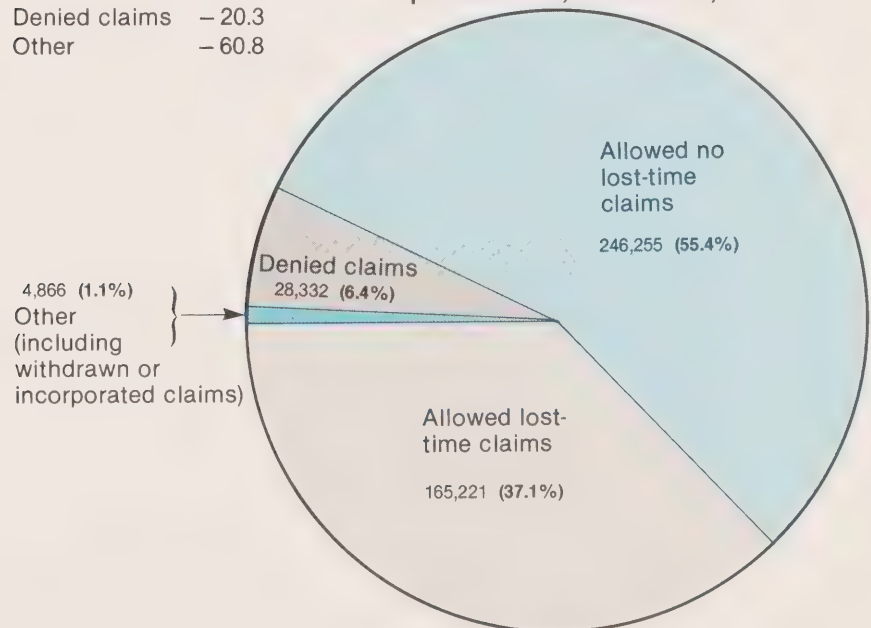
1979 (with % of total claims reported — 460,972 = 100%)



% Change, 1980-1979

| | |
|-----------------------------|--------|
| Total claims | - 3.5 |
| Allowed lost-time claims | - 0.2 |
| Allowed no lost-time claims | - 0.5 |
| Denied claims | - 20.3 |
| Other | - 60.8 |

1980 (with % of total claims reported — 444,674 = 100%)



SIEF Relief The WCB's Second Injury and Enhancement Fund (SIEF), created to encourage employers to hire workers with a disability, comes into play when there is a proven relationship between an employee's pre-existing condition and a new injury. The share of a claim's cost that is attributable to a prior condition is charged to the SIEF, rather than the current employer.

In 1980 the number of claims that involved relief from SIEF was 23,321, a 15.4 per cent increase from 20,216 in 1979. The amount transferred to the SIEF in 1980 was \$62,150,163, up 41.5

per cent from \$44,019,687 the previous year.

Industrial Disease In 1980, 5,780 lost-time claims for industrial disease were accepted (compared to 5,899 in 1979). Industrial diseases can be caused by exposure to a wide variety of hazards. These fall into three categories: biologic hazards (including infectious diseases); chemical hazards; and physical agents (including certain types of radiation, noise, vibration, extremes of temperature and atmospheric pressure, mechanical pressure and repetitive movements). For a breakdown of the claims by disease, see Table 2.

Table 2
Lost-Time Industrial Disease Claims Allowed, 1980

| Disease | Claims |
|--|--------|
| Chemical burns | 1,202 |
| Radiation effects (primarily conjunctivitis due to ultraviolet rays, eg. welders' flash) | 1,167 |
| Hearing loss or impairment | 831 |
| Poisoning (eg. carbon monoxide, smoke inhalation) | 735 |
| Dermatitis | 715 |
| Inflammation or irritation of joints, tendons and muscles (eg. tendonitis, synovitis) | 628 |
| Contagious or infectious diseases | 193 |
| Other occupational illnesses (including cancers) | 156 |
| Pneumoconioses (including asbestosis) | 67 |
| Silicosis | 45 |
| Effects of cold | 27 |
| Effects of environmental heat | 14 |
| Total | 5,780 |

Pensions Awarded New pensions awarded to workers during 1980 numbered 17,883, compared to 17,728 the previous year. This figure includes pensions for life, as well as lump sum, provisional (interim), temporary supplementary awards and awards increased after re-evaluation.

The number of active workers' pensions on file at the end of 1980 was 64,802.

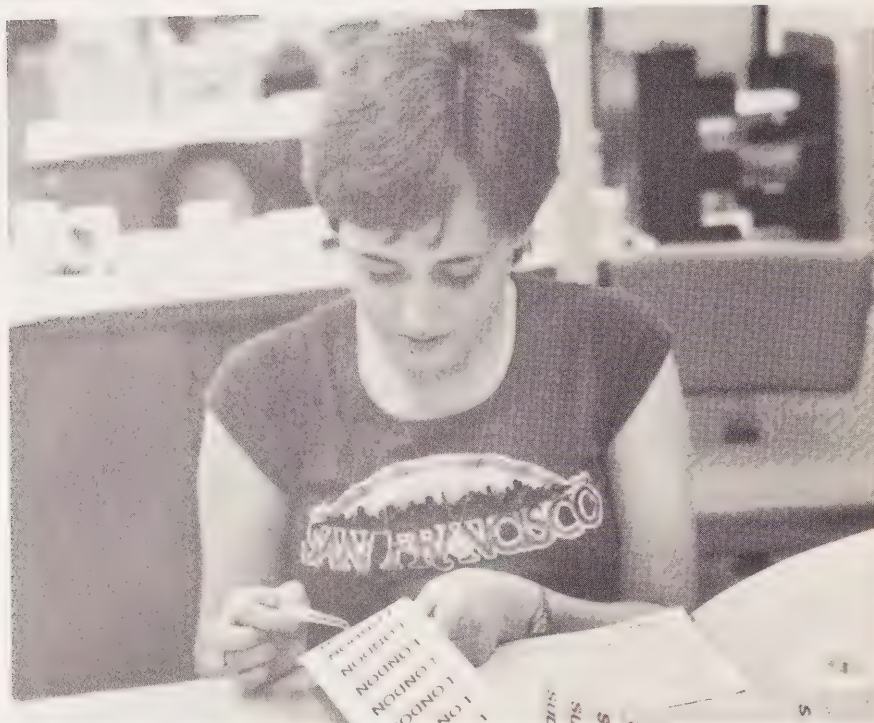
Regional Operations Because the WCB's decentralization pilot project centred on the claims adjudication function, the project necessitated comprehensive preparatory work by the Claims Adjudication Branch. Considering that the adjudication function is supported by, or connected with many other aspects of the Board's operations, the expansion of services in the London and Sudbury areas was an effort that involved virtually every part of the organization in some way.

The Corporate Board decision approving the decentralization pilot projects in London and Sudbury was made in 1979 following review of an impact study by external consultants. The planning and implementation framework included an interdivisional committee of executive directors and task groups set up by each division or branch.

New services provided at the regional offices included adjudication of almost all accident claims originating from the respective region; related functions such as payment authorization; processing of medical aid accounts from treating agencies; and treatment control by doctors in the area offices. Because of the specialized medical expertise required, certain other functions — such as the adjudication of specific industrial disease and fatality claims, presently managed by the Industrial Diseases and Dependents Section and assessments for permanent disability — remained at head office.

The expected benefits of regional operations include faster and more personal service, more efficient processing of claims and the availability of complete information for enquiries regarding claims.

The Sudbury Regional Office, which opened on November 6, serves the districts of Sudbury, Manitoulin and Algoma. It began operations in new premises with a staff of 113 (of whom 98 were local residents, and 75 were in newly-created positions). The projected total of new claims reported to the office for 1981 was 25,000, or about 5 per cent of the provincial total.



Staff member identifies the regional office — London or Sudbury — responsible for adjudicating the claim.

The London Regional Office opened in new premises on December 2, serving the counties of Huron, Elgin, Middlesex and Oxford. The start-up staff complement was 110, of which 76 positions were newly created, and 86 filled by local residents. The projected new claims total for 1981 was 25,500, or about 5.5 per cent of the provincial total.

Amendments to Act An amendment to The Workmen's Compensation Act in December

1979 raised benefit levels and necessitated adjustment of 133,400 claims (of which approximately 69,700 were permanent disability and dependency claims and 63,700 were temporary disability claims). While most of the adjustments could be made by computer, it was necessary to create a special amendment team to manually review and adjust approximately 33,000 claims.

**Internal Review,
Monitoring**

As in previous years, the branch devoted considerable resources during 1980 to maintain a high level of quality in the adjudication process.

One new measure introduced in 1980 was the creation of an Expediting and Quality Control Team, which assisted adjudication sections with expediting decisions on pending claims and with ongoing reviews of continuing claims.

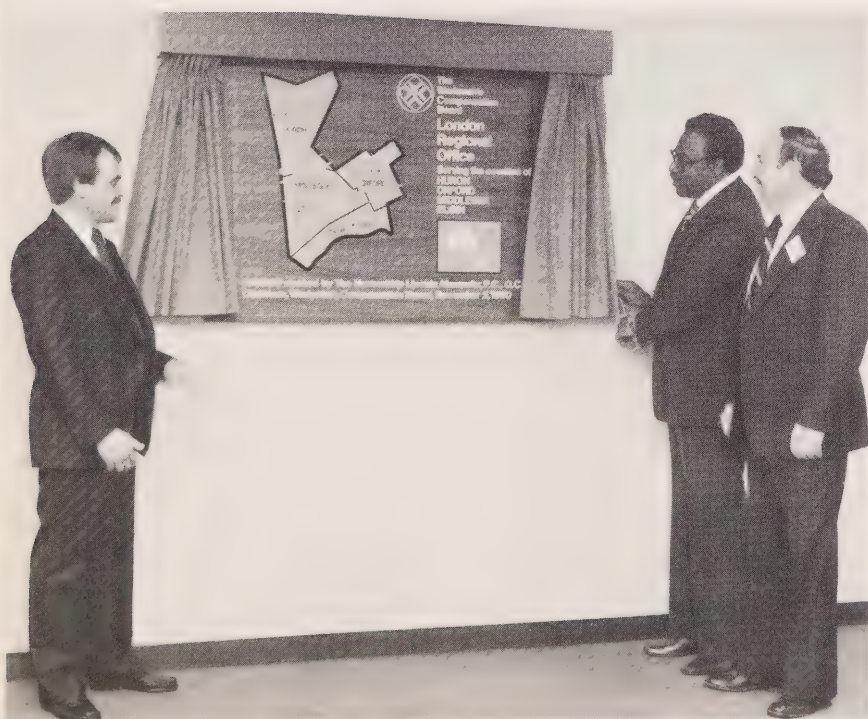
The branch continued to conduct productivity and performance assessments. Typical studies from 1980 dealt with the following subjects:

- proper handling of correspondence and telephone calls;
- performance in issuing initial payments;
- review of active claims;
- expediting of pending claims;
- monitoring the movement of employers' accident reports within Board offices;
- monitoring the status and injury coding on employers' and doctors' initial reports;
- turnaround time for typing services.

In 1980 the branch also continued its practice of evaluating the effectiveness of procedures and policies. The reviews completed in 1980 for this purpose dealt with topics such as coverage for volunteer firemen, administration of the reciprocal agreement with INAIL (Italy's compensation board); and adjudication of claims from apprentices, students and learners.

Systems

Advances Work continued during 1980 on the design of a computer system to expedite benefit payment. Word processing was introduced in 1980, resulting in improved efficiency in the typing and updating of written materials.



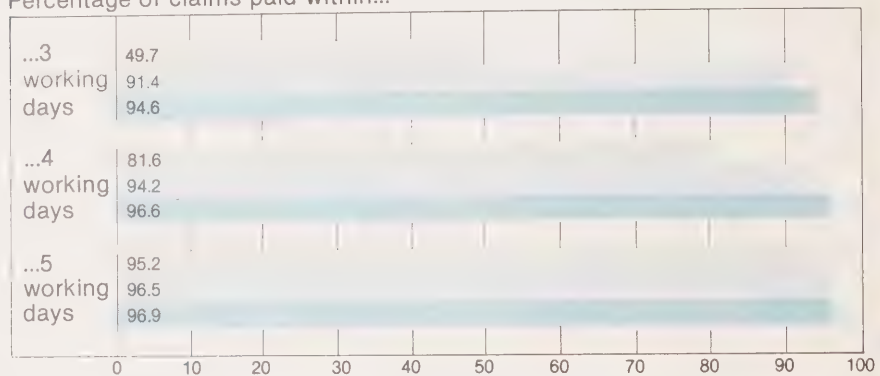
WCB Chairman Lincoln M. Alexander officially opens London Regional Office, December 2, 1980.

Claims Services Division

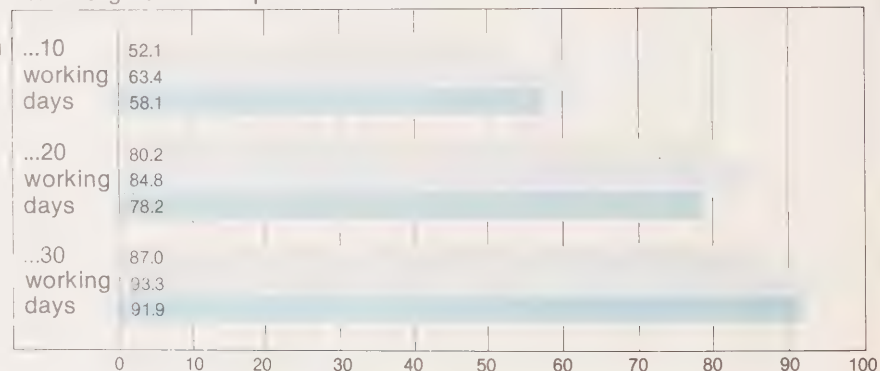
Table 3
Claims Response Times, 1978-80

A comparison over three years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.*

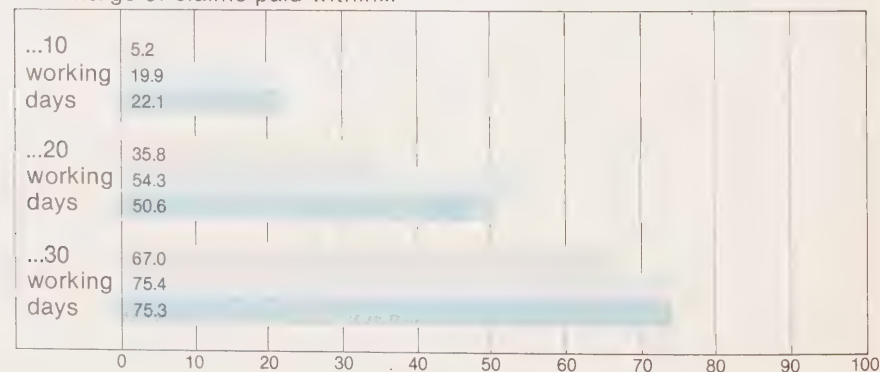
Percentage of claims paid within...



Percentage of claims paid within...



Percentage of claims paid within...



1978 1979 1980

*Claims excluded from this chart: 1) claims in which there was a change in status from "no lost time" to "lost time"; 2) hernia claims; 3) industrial disease claims.

REVIEW BRANCH

Branch Function All claims in which an adjudicator recommends denial or limitation of entitlement are reviewed by the Claims Review Branch at head office. The branch also reviews objections to decisions. The branch consists of senior staff members with many years' adjudication experience, who are responsible for reviewing each case to ensure the adjudicator has obtained all pertinent information. A Review Branch member scrutinizes the claim and considers the adjudicator's written reasons and policy references for recommending denial.

The Review Branch member then does one of three things with the claim: 1) agrees with the adjudicator; 2) disagrees with the adjudicator and reverses the decision; 3) refers it back to the adjudicator for further action.

1980 Statistics In 1980 the Review Branch received 19,664 claims. In 55.8 per cent of the claims, the adjudicator's recommendation was confirmed. In 8 per cent of the claims, the adjudicator's recommendation was overturned, and in 36.2 per cent of cases, the claim was returned for alternate action or directed for review. The majority of claims in this final group are ultimately accepted. (See Table 4 for comparison with 1979.)

CLAIMS INFORMATION AND COUNSELLING SERVICES BRANCH

As its name implies, the Claims Information and Counselling Services Branch has the responsibility to provide information and counselling to the public regarding Board policies and individual claims. The branch also conducts field enquiries for the Claims Services Division's two other branches and the appeals system to expedite decision-making. The branch's services are provided at the WCB head office, six area offices and four information offices. A visiting program is provided to certain smaller communities.

Regional Operations

The preparation for regional operations in Sudbury and London was an area of major activity for the branch in 1980. The branch's services in these two centres became the responsibility of the new regional directors. The Sault Ste. Marie Information Office similarly began reporting to the Sudbury regional director.

Many of the staff in Sudbury and London were reassigned to new positions in the regional operations, and staff from other offices were brought in to maintain quality of service during the transition period.

(For comparison, branch activities in Sudbury, London and Sault Ste. Marie have been excluded in all statistics that follow in this section.)

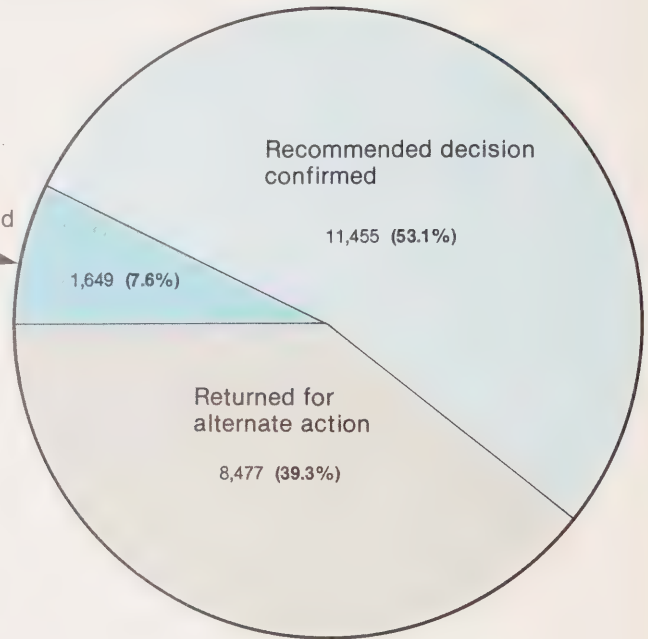
Claims Services Division

Table 4
Review Branch - Adverse Decisions and Objections

1979

Total claims
received
21,581

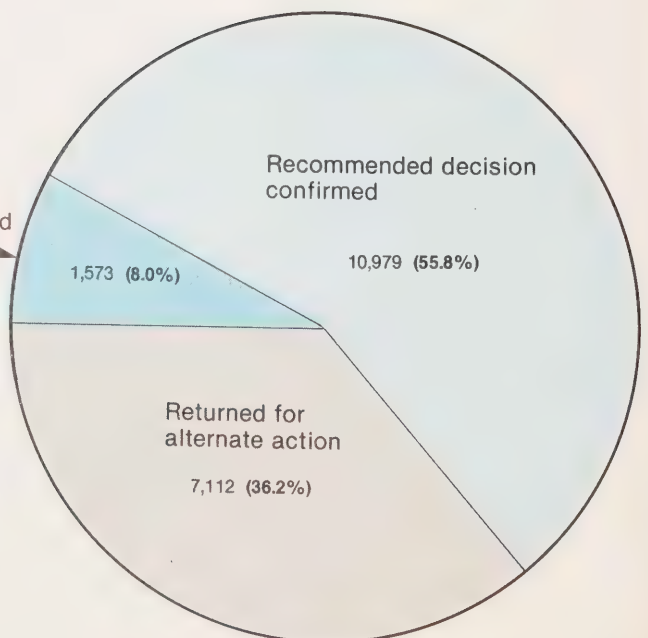
Recommended
decision
reversed



1980

Total claims
received
19,664

Recommended
decision
reversed



Enquiries

Increase During 1980 enquiries received by area and information service offices rose dramatically. Compared to 1979 levels, telephone enquiries increased an average of 23.1 per cent (44,873 to 55,243) each month, while in-person enquiries rose an average of 25.8 per cent (5,572 to 7,014). Over-the-counter benefit cheques issued to aid workers in emergency situations increased 49 per cent (5,837 to 8,697) per month.

There were several major factors contributing to these increases:

- Project Access, the full impact of which was felt during 1980. This service allows for toll-free calls to Board offices.
- increasing public awareness that enquiries about various WCB services can be handled locally;
- increased public relations contacts by branch staff, which have encouraged local enquiries.

Enquiries at head office also grew in number. The Claims Enquiry counsellors experienced a 24 per cent increase in enquiries per year (to 44,757 from 36,143) and issued 39 per cent more emergency benefit cheques (up to 16,449 from 11,792). Claims Telephone Enquiry Services received 5.3 per cent more calls, from an average of 41,862 to 44,067 per month.

However, enquiries handled by the Counselling Specialists Group during the year declined 8.9 per cent from 42,669 to 38,881.

The Toronto Claims Information Centre on St. Clair Avenue West saw a 32.2 per cent increase in enquiries (from 11,613 to 15,357).

Visiting Services

During 1980 visiting counselling services were provided to 15 communities, primarily in Northern Ontario: Kirkland Lake, New Liskeard, Hearst, Kapuskasing, Cochrane, Elliot Lake, Wawa, Dryden, Red Lake, Kenora, Fort Frances, Atikokan, Ignace, Cornwall and Sarnia. While the 1979 workload showed a significant decrease (largely attributable to increased use of area offices for enquiries) from 1978, the 1980 figures show a levelling off: 1,709 visits (down marginally from 1,716) and 1,057 phone enquiries (down from 1,061).

Linguistic Services

The branch strives to provide information and services to clients in their first language, and to this end efforts have been made to expand the multilingual capacity of the staff complement. In 1980 personnel at head office, the nine area and four information offices included persons fluent in French (numbering 19), Italian (22), Spanish (5), Portuguese (5) and five other languages (1 or 2 staff members).

The multilingual capacity at head office allows for interpreting assignments, which for the most part take place at appeal hearings. In 1980, 278 interpreting services were provided in 18 languages at appeal board hearings (down 39 per cent from 454 the previous year). Interpreters attended appeal adjudicator hearings on 594 occasions (up 4 per cent from 1979), providing service in 25 languages.

The overall workload for interpreting staff decreased 12 per cent from 1,057 assignments to 926.

Claims

Investigations When field enquiries are necessary to gather information on a claim, the branch's decentralized staff of claims investigators comes into play. In 1980 claims investigations increased 4.2 per cent from 10,216 to 10,646. (The Sudbury and London regions are excluded from both totals). New guidelines for investigators introduced during 1980 resulted in a reduction in the average time to complete an investigation (4.8 days to 4.1 days) and an increase in the average number of investigations completed by each investigator per week (6.8 from 6.5).

Public Contact One of the objectives of the branch is to foster open communications between the Board and the public it serves. Two indications of this activity in 1980 are the number of speaking engagements by the division's head office staff (254); and involvement in meetings with labour, employer and other groups by area office staff (600).

Other Projects During 1980 the branch continued to conduct a variety of training programs (in which the impact of regional operations was a frequent focus), and projects to monitor and improve service.

The Hamilton Area Office moved during the year to larger and more accessible premises within the same building.

In a year that saw an overall increase in workload, the Medical Services Division continued its efforts to ensure that the highest level of medical care is administered to injured workers.

Medical Services Division

In cases where recovery is less than complete, the division, in conjunction with the Vocational Rehabilitation Division, attempts to return the injured worker to a productive and satisfying life, both at home and in the workplace.

The division's functions include:

- monitoring medical care and advising on treatment as necessary;
- assessing and paying medical aid accounts and related expenses;
- supplying medical input into the development of claims policy, and providing medical opinions in the adjudication of individual claims;
- evaluating residual disability in claims for pensions;
- operating all the facilities and programs in rehabilitation medicine at the Board's Hospital and Rehabilitation Centre (H&RC);
- identifying industrial disease trends, determining cause-effect relationships, and participating in the development of appropriate adjudication guidelines;
- monitoring and collecting research on occupational injuries and diseases, and conducting research projects in this field as needed.

Medical Branch Operations

Demand for services of the division has increased an average of 10 per cent annually over the past seven years, and this trend was reflected in the 1980 workloads — consisting for the most part of file examinations and medical examinations — by staff physicians at head office. An exception to this trend was a slight decline (2 per cent) in the number of files examined by the section medical advisers assigned to the extended disability claims sections in the Claims Adjudication Branch.

Research Projects During 1980 work began or continued on a wide variety of research projects aimed at reducing pain, aiding rehabilitation or in other ways improving the Board's services to injured workers. Back injuries, a leading cause of disability, continue to be a focal point of the division's research.

Some of the projects underway during 1980 were:

- a one-year follow-up at the H&RC to Phases II and III of the Back Research Program. The program is examining the value of surgery in treating low-back injuries.

- start of research at the H&RC on FIELD, which stands for "For Identification of Early Lumbar Disability." In this project, careful measurements are being made on 100 lower-back injury patients when their disabilities reach 13 weeks. The goal is to identify factors which may predict future complications in back cases and thus lead to the prevention of long-lasting disability.
 - continuing research at the H&RC into the application of Transcutaneous Electrical Nerve Stimulator units and their effectiveness in treating low-back pain;
 - ongoing research at Toronto's Sunnybrook Hospital into spinal cord injuries;
 - the second year of research at the H&RC and York University into the use of biofeedback in treating back pain with superimposed migraine;
 - continuing research at the H&RC in the measurement of cortical evoked response (nervous system signals received by the brain) in chronic pain problems;
 - ongoing research studies in the audiometric laboratories at Toronto's Mount Sinai Hospital. These include a study of the use of brain stem audiometry and efforts to measure tinnitus (ringing in the ears) by cortical evoked response;
 - continuing study at Toronto General Hospital concerning the blood supply of replanted limbs and revascularization (resumption of circulation) of long skin flaps used in replantation;
 - new investigation at the H&RC of the use of above-elbow myoelectric prostheses;
 - completion of sampling and commencement of analysis at McMaster University in the foundry research project. This project will be useful in determining whether current lung cancer guidelines for workers at Dofasco Inc.'s Hamilton foundry can be revised or extended for other foundry workers.
 - continuing research at the University of Toronto into cellular studies of laryngeal carcinoma (cancer) to identify any distinguishing characteristics in work-related cases;
 - cellular research into the characteristics of lung cancer in uranium miners.
- During 1980 division researchers published articles in medical journals on topics including smoking's interaction with industrial exposures, diagnosis of low-back pain, and fixation of fractures. Medical staff also presented papers at a number of national and international medical meetings.

HOSPITAL AND REHABILITATION CENTRE

H&RC's Role The Hospital and Rehabilitation Centre (H&RC), located in suburban Toronto, is a 524-bed facility delivering medical and rehabilitation care to injured workers. Eighty per cent of the patients who complete their program of treatment, including those with complicated injuries, are able to return to work immediately after being discharged from H&RC.

Admissions, Patient Stays

Admissions to the Centre declined very slightly from 10,663 in 1979 to 10,646 in 1980. This supports the evaluation made in 1979 that the Centre is operating close to capacity.

Most patients at the Centre take a full treatment program including daily scheduled sessions in occupational therapy, recreation, physiotherapy and remedial gymnastics. Each program is tailor-made to meet the needs of the individual by a treatment team that typically includes a doctor, physiotherapist, occupational therapist, remedial gymnast, recreational therapist and vocational rehabilitation counsellor.

In 1980 patients in the full treatment program numbered 8,099, a slight increase from 8,084 in the previous year. Total treatment days declined from 174,425 to 171,615.

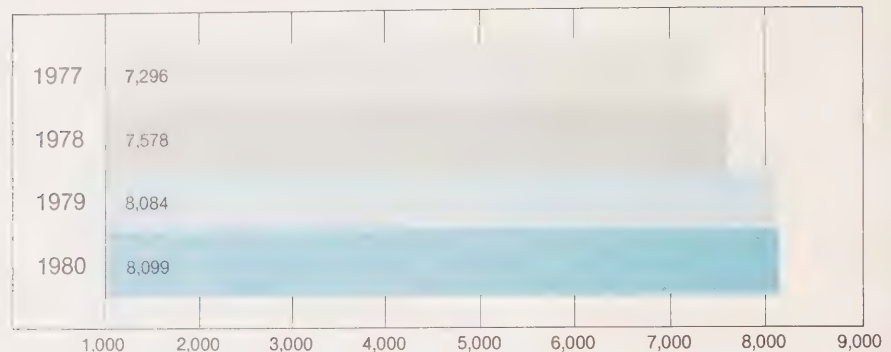
The average stay at the Centre increased marginally from 21.0 treatment days to 21.2 days. (However, over the longer term, the average stay has declined from the 1974 level of 29.4 days.)

The average number of in-patients at the hospital declined from 477.9 to 468.9. Bed utilization remained essentially unchanged at 76.5 per cent.



WCB industrial medicine consultant (right) and pensions adjudicator (left) visit Quirke Mine in Elliot Lake.

Table 5
Admissions to the Hospital and Rehabilitation Centre
(Full treatment program)



Special Clinics

A number of special clinics have been developed at the H&RC to deal with specific problems. For several clinics, caseloads changed little in 1980. These included the Head Injury and Neurology Clinic (427 cases); Amputee Clinic (1,125 cases, including 53 new cases of major types of amputations); General Trauma Clinic (348 cases); and the Psychological Social Evaluation Module (316 cases).

The Hand Clinic continued to show a significant increase in caseload, rising to 776 patients, 20.5 per cent more than in 1979.

The caseload of the Back Assessment and Rehabilitation Clinic also continued to grow, with the year's 371 cases representing an increase of 6.9 per cent.

The Back Education Program (BEP), which helps patients cope with back disabilities, was taken by 691 patients during the year. From the inception of the program in 1978 to the end of 1980, there have been 1,922 participants in BEP. (In 1980, 45 per cent of the patients at the H&RC had back disabilities.)



Remedial gymnastics at WCB Hospital and Rehabilitation Centre involves the therapeutic use of exercise.



A member of the Industrial Back Education (IBEP) team demonstrates exercise for proper back care.

Consultations Conducted

Various consultations are conducted at the Centre to help treatment teams assess an individual's needs. Orthopaedic consultations increased significantly (51.5 per cent) to 1,775. This represents an incidence among full treatment program patients of 21.9 per cent.

The number of psychiatric consultations declined marginally to 1,398. This works out to 17.3 per cent of the full treatment program patients, based on patient population. The incidence was slightly less than 13.9 per cent, if the repeat visits and consultations that are an automatic part of the Psychological Social Evaluation Module program are not considered.

Psychological Services

Psychological assessments declined marginally to 1,804, while intervention treatments (such as therapy, biofeedback and behaviour modification treatment) increased 29.3 per cent to 7,625. Biofeedback treatments in particular continued to increase, numbering 3,701, or 46.3 per cent more than in 1979.

TENS Usage During 1980, 628 transcutaneous electrical nerve stimulator (TENS) units — which are used to control certain types of chronic pain — were prescribed at the Centre. With another 118 units approved by the division's Medical Branch, a total of 746 were prescribed during the year.

A review is underway to determine the long-term benefits of the TENS. Since their introduction in 1975, 2,032 TENS units have been prescribed.

Interpreting Services

During the year, interpreting services were rendered on 4,812 occasions by the Centre's four staff interpreters and other staff members with facility in languages other than English. This represents a decline of 11.5 per cent, which seems to indicate that during 1980 more patients had a working knowledge of English.

Of the services provided, approximately 42.5 per cent were in Italian, 23.8 per cent in Portuguese, 10.3 per cent in Spanish, 9 per cent in Greek, 7.4 per cent in French, 4 per cent in Yugoslavian, 2 per cent in Polish and smaller amounts in other languages such as Russian, German and Ukrainian. (French dropped from third position in 1979 to fifth in 1980.)

Age of Patients A breakdown of patient population by age was consistent with previous years. Patients under age 20 comprised 1.3 per cent of the total admitted; 20-29 years, 17.2 per cent; 30-39 years, 26.2 per cent; 40-49 years, 27.6 per cent; 50-59 years, 21.7 per cent; 60-69 years, 5.8 per cent; 70 years or older, 0.2 per cent.

Visitors to Centre

A total of 834 individuals visited the Centre in 1980 to study its facilities and treatment techniques. The visitors included physicians and administrators from compensation boards in many other provinces, states and nations.

For the Vocational Rehabilitation Division, 1980 was marked by modifications to improve its operations and an increased demand for its services.

Vocational Rehabilitation Division

The division's goal is to return injured workers to gainful employment and a place in the community. Its services are provided by a decentralized staff, including rehabilitation counsellors and specialists, social workers and employment specialists.

Range of Services Since no two clients' needs are identical, the division has a wide range of services that can be drawn upon to give each injured worker a rehabilitation program suited to his or her needs.

Some of these services are:

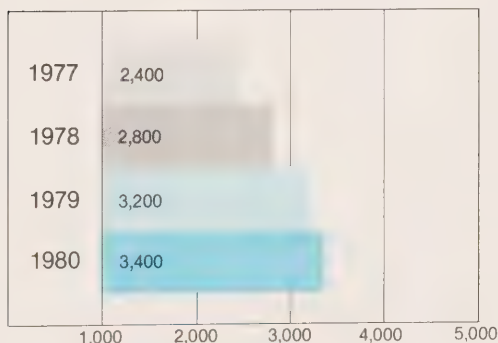
- various types of counselling (supportive, employment, social/financial);
- arrangement of a variety of assessments to determine working capacity;
- arrangement of formal academic or skill training, or training-on-the-job;

- assistance with job searches, arrangement of job placements and follow-up services;
- through the Employment Services Section, identification of job opportunities and an active promotion campaign directed at employers, labour and the public at large.

Key 1980 Statistics *In 1980, 4,476 injured workers (a number which represents about 1 per cent of the claims received by the WCB in the year) were referred to the division for formal vocational rehabilitation services. This is an increase of 392 (9.6 per cent) over 1979.

- During 1980 divisional staff were instrumental in rehabilitating 3,414 injured workers, an increase of 7.5% over 1979. Of this number, 2,805 injured workers were returned to gainful employment. (See Table 6.)

Table 6
Number of Workers Rehabilitated*
(Rounded to the nearest hundred)



*Includes: returned to former employment; new employment; self-employment; achieved financial self-sufficiency through other means.

- Service was completed in the field for 5,289 cases, an increase of 62 (1.2 per cent). At year-end, 6,064 cases remained active.
- 2,246 training programs for injured workers were begun, an increase of 15 per cent over the previous year. A total of 1,430 programs were completed.
- 2,758 injured workers took assessments of their working capacity (a 15.8 per cent increase).
- 253 "English as a Second Language" courses were completed by injured workers (an increase of 44 per cent). This training can help injured workers compete in the job market.
- Services by the division's social workers were completed for 697 injured workers, an increase of 5.7 per cent.

Word Processing

A word processing system introduced in June has had a positive effect on service efficiency, reducing turnaround time for typing reports and memos.

Changes at

H&RC Procedural changes in the vocational rehabilitation program at the Board's Hospital and Rehabilitation Centre have allowed staff to give more intensive assistance to those injured workers at the Centre who have genuine need of it. These changes have also allowed the division to re-deploy some staff to other areas of its operation to meet work demands.

Employment "Blitzes"

The division's program of employment "blitzes" continued to be highly successful in 1980. In a blitz, a team of employment specialists concentrates on one community to find job opportunities for injured workers. The specialists' work is supported by an intensive promotional program publicizing the successful rehabilitation of local injured workers and the Board's incentives for employers who hire injured workers.

Blitzes were held in Hamilton, Windsor, Oshawa, St. Catharines, Ottawa, Barrie, Cornwall, Thunder Bay and the Kitchener-Waterloo and Peel Regions. Province-wide, the Employment Services Section obtained 3,562 job opportunities (an increase of 24.2 per cent over 1979). A total of 1,212 injured workers were placed in new jobs through this program (an increase of 41.4 per cent over 1979). A further program of employment blitzes is scheduled for 1981.

Job Bank Developed

During 1980 development continued on a computer system that will act as a "job opportunity bank." The bank will automatically match the abilities and interests of clients with available employment opportunities. The system is expected to go into operation during 1981.

Specialized Counselling

In the past several years, the division has been refining its resource services in rehabilitation counselling, job placement and credit counselling to better assist injured workers. Specialization of rehabilitation counsellors in each of these fields is scheduled to be phased in during 1981.

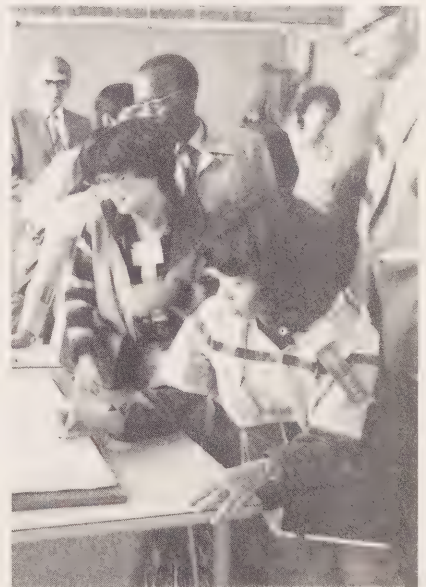
Ethnic Relations The division continued to improve its services to clients whose first language is not English. Efforts in this area include an ongoing program to find agencies and employers in Toronto's Italian community willing to participate in the rehabilitation of Italian-speaking workers, and continuing co-operation with the job placement services of the Italian social service agency COSTI.

During 1980 the number of rehabilitation counsellors proficient in languages other than English continued to increase.

As well, counsellors are trained to acknowledge and understand the diversity of cultural backgrounds among their clients.

Staff Training Staff training continued to be a high priority with the division in 1980. Seven specially-designed development courses were conducted for counselling staff by the division's Staff Training and Development Section. The division's supervisory personnel attended a management development program conducted by the Human Resources Division.

Vocational Seminar In June 1980, the division co-sponsored the Pre-Congress Vocational Seminar of Rehabilitation International's 1980 World Congress. Delegates from around the world attended workshops on various topics with the theme of "Employment of the Handicapped — the Goal of Integration and Safety in the Workplace."



Vocational seminar delegates sign in as they arrive for a tour of the WCB Hospital and Rehabilitation Centre.

In the Administrative Resources Division, the year 1980 was one of advances aimed at increasing the efficiency of the Board's services.

Administrative Resources Division

Support Services The division provides support services to other divisions of the Board in five broad areas, each administered by a separate branch:

- Information Systems Development and Data Processing Branch;
- Records Management Branch (controls document registration and file availability);
- Office Services Branch (includes services such as mail room, fleet management, purchasing, safety and security);
- Program Planning and Statistical Services Branch (meets statistical needs of the Board and outside agencies);
- Works Department, Hospital and Rehabilitation Centre.

Data Requests, Reports

The division responded to 387 requests for statistical information from outside agencies and from within the Board. It produced 836 accident reports, as requested under The Occupational Health and Safety Act, 1978. Under this Act, the WCB must, on request from an interested party, provide a report summarizing a firm's accident and occupational disease record.

Development continued on a computerized data base on miners' information to assist in a joint epidemiological study by the WCB and the Ministry of Labour.

Table 7
Documents Handled by Claims Identification and Registration Section

| | 1979 | 1980 | % Change |
|---|---------|-----------------------------|----------|
| Claims documents identified (other than accident reports) | 309,153 | 279,655 | - 9.5 |
| Medical accounts identified | 871,551 | 548,685 (to July 31/80)* | N/A* |
| New claims registered (and accident reports identified) | | | |
| Head office | 460,972 | 437,486 | |
| **Sudbury | - | 3,770 | |
| **London | - | 3,418 | |
| Total | 460,972 | 444,674 | - 5.1 |

*In August 1980, a computerized medical aid account matching system was implemented, eliminating the manual activity.

**These regional offices opened late in 1980.

Administrative Resources Division

Table 8
Documents Handled by Firms Identification Section

| | 1979 | 1980 | % Change |
|--|---------|---------|----------|
| Claims documents processed | 844,366 | 778,947 | - 7.7 |
| Revenue documents processed | 49,045 | 51,664 | + 5.3 |
| New firm files established | 20,742 | 22,925 | + 10.5 |
| Change firm name and address | 23,509 | 34,646 | + 47.4 |
| Second Injury & Enhancement Fund transfers | 45,394 | 54,040 | + 19.0 |

Table 9
Claim File Search Activity

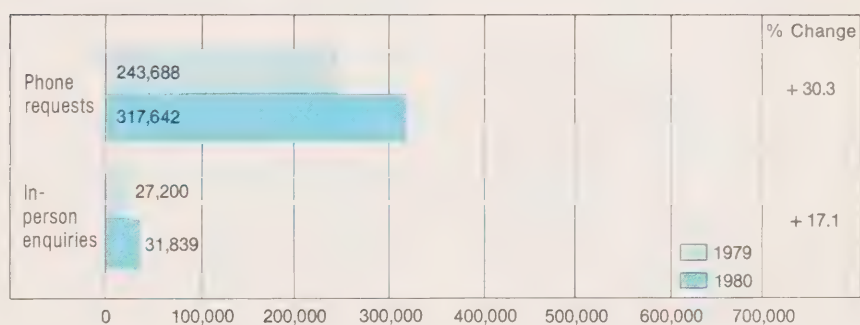


Table 10
Total Documents Processed to File

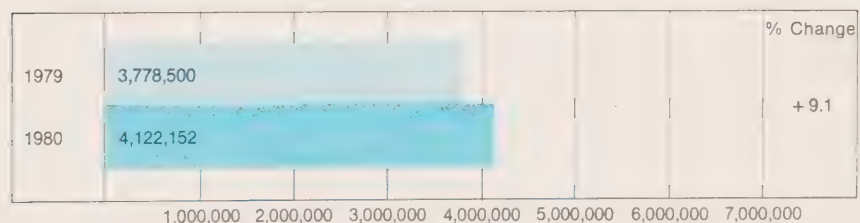
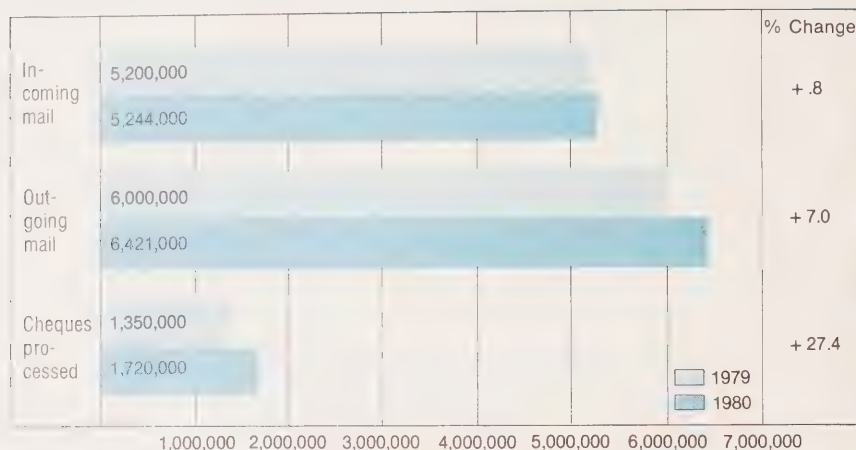


Table 11
Mail Room Operations



Employer Records The Records Management Branch completed the automation of the firms charging index. This change streamlined firms identification in the claims registration process, improved staff access to the index and made for faster responses to employers' enquiries.

The 16-month conversion of hard-copy paper firm files to microfiche was completed in 1980. Aside from substantial space savings, the conversion allows for increased accessibility by Revenue Branch staff, instant updating of files and reduction of misfiling.

Regional Operations

The division co-ordinated the leasing, planning and outfitting of the new facilities for regional operations in London and Sudbury. It planned and implemented the transfer of all divisional activities to a regional mode, including claims registration, firm charging and file management.

Remote job entry computer equipment was installed in the regional offices to permit claims processing data to be prepared for transmission to the central computer in Toronto. The installation also allows the regional offices to receive computerized data and create hard copy outputs from their own equipment.



Last call to Sudbury office before the calls are switched to the new premises, March 31, 1980.

H&RC Projects The installation of air-conditioning in all patient wards and activity areas at the Hospital and Rehabilitation Centre was completed in 1980. Work on physical safety measures — such as the installation of handrails throughout the Centre — continued during the year.

Project Access The Project Access telephone network, which allows the WCB's clients to make toll-free long-distance calls to local Board offices, was completed during 1980. Between September 1980, when new listings for the Board had been published in all directories, and year-end, approximately 38,000 such toll-free calls were received by Board offices. (This number represents a significant increase in long-distance calls.)

Telephone Analyser

The division installed a telephone traffic data analyser at the Board's head office. This unit permits the Board to monitor traffic patterns and adjust its telephone system to provide greater responsiveness.

In 1980 approximately 2.5 million calls were received at head office. There were 1.1 million out-going calls and 527,000 out-going long-distance calls.

Other Projects During the 1980 interruption in postal services, the division initiated the Board's procedures for handling of mail and cheques.

The division also developed and implemented new procedures and training sessions to raise staff awareness in safety and security matters.

Continuing high yields from accident fund investments were just one aspect of the program of financial management provided for all of the Board's operations by the Financial Services Division in 1980.

Financial Services Division

Investment Income

The Board's investment income rose in 1980, reflecting the upward trend of recent years and the continued restructuring of the portfolio by selling low coupon bonds and reinvesting in higher interest-bearing securities.

Income from investments was \$141.3 million, an increase of 17 per cent from the 1979 total of \$120.5 million. The running yield on the long-term portfolio also continued to improve, rising from 9.46 per cent in 1979 to 10.05 per cent in 1980.

Accident fund investments — valued at amortized cost adjusted for accumulated unamortized net losses — grew to \$1.49 billion from \$1.35 billion in 1979.

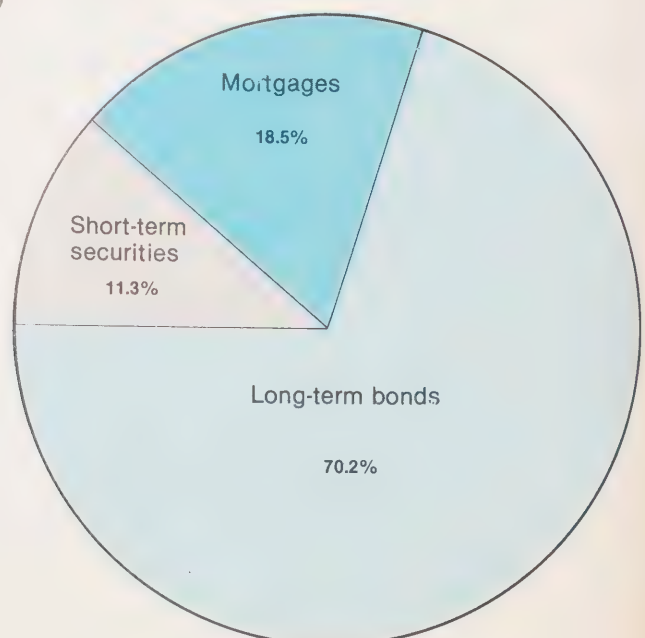
Assessment Income

The maximum earnings level for computing compensation was raised from \$16,200 to \$18,500 on July 1, 1979. In recognition of the economic hardship the increase would have forced on employers, the Board postponed the corresponding increase in the maximum for assessable earnings until January 1, 1981.

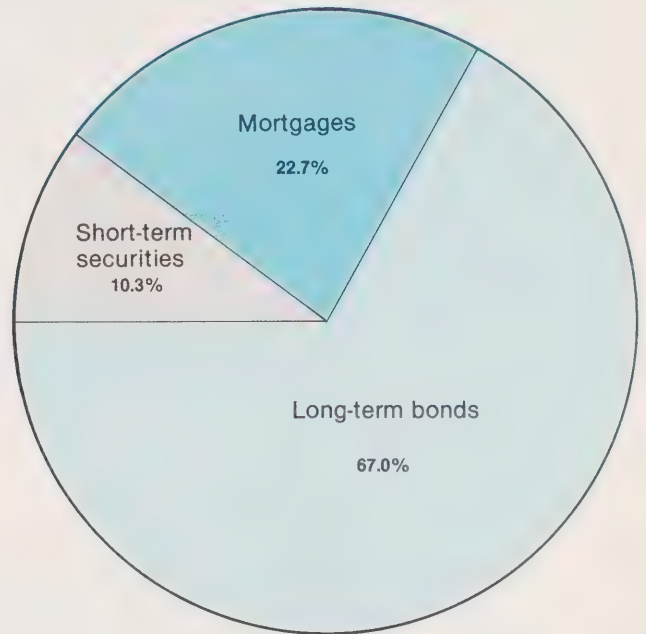
A decrease in assessments — to \$529 million from the 1979 total of \$576 million — reflected the 8 per cent reduction made in the 1980 average assessment rate and the maintenance of the \$16,200 ceiling for assessment purposes.

Table 12
Changes in the Accident Fund Investment Portfolio, 1978-1980
(Percentage of total)

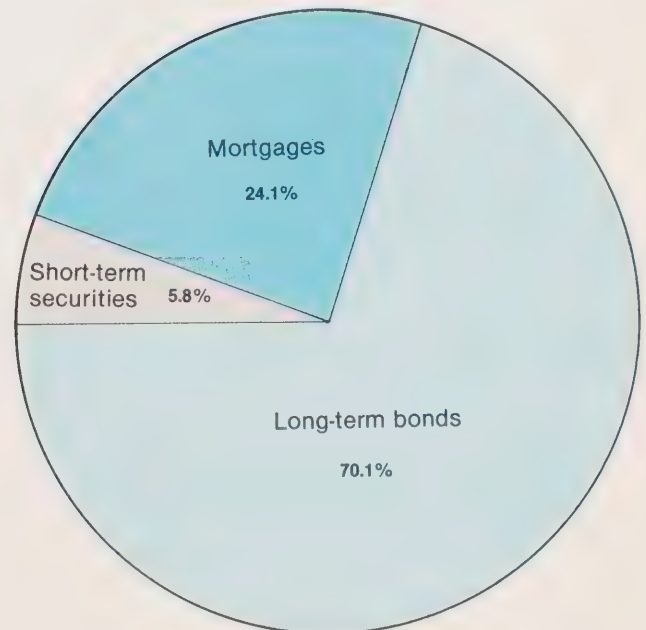
End of 1978



End of 1979



End of 1980



The estimated payroll reported by Schedule 1 employers increased to \$32.6 billion from \$30.6 billion in 1979. During 1980 the number of employers covered under Schedule 1 rose from 155,000 the previous year to 159,000, representing an increase of 2.6 per cent.

During the year discussions took place with industry groups interested in the revised experience rating plan. The implementation of this program was deferred until Professor Paul Weiler had the opportunity

to review and comment on the proposal in his study into Ontario's workers' compensation system.

Internal Audit During 1980 the Corporate Board approved a recommendation to make the Internal Audit Branch a separate and independent division, effective the beginning of 1981. Internal Audit provides auditing services for the Board's computer, financial and operations systems.



New revenue branch microfiche system makes employer assessment information more accessible, easier to update.

Legal Services

As the division responsible for engaging in litigation on behalf of the Board, Legal Services acts on behalf of injured employees who have chosen to subrogate to the Board their right of action against negligent third parties under Section 8 of The Workmen's Compensation Act.

In 1980, 272 such litigation files were opened. Settlements were obtained in 176 cases and \$1,421,096 in damages was recovered.

The Legal Services Division advises the Corporate Board and operating management on legal matters. It is responsible for assisting in the drafting of legislation and regulations and performing the function of appeals administrator for hearings under Section 15 of the Act (which allows for the Board to make a ruling when an employee's right to claim compensation is disputed).

The ongoing program to strengthen the condition of the Schedule 1 Accident Fund took a further step in 1980.

Actuarial Services

This was achieved by discontinuing the policy of adjusting the rate of discount used to establish the present value of future payments to claimants. This change was made even though the expected future yield on the fund improved more during 1980 than ever before. The effect of this change will be a more conservative treatment of the Board's liabilities in order to provide a partial allowance for potential future amendments.

To provide for increases in benefits resulting from the 1979 amendments to The Workmen's Compensation Act, and to continue the policy of funding deficits over five years, the Corporate Board approved an average increase of 4 per cent for 1981 assessment rates. The average rate of assessment for every hundred dollars of assessable payroll rose from \$1.65 in 1980 to 1.72 in 1981. Assessments were reduced for 33 of the 108 rate groups in Schedule 1, while 8 remained the same, and 67 were increased.

The WCB's financial support for safety associations totalled more than \$18 million in 1980, and the Safety Education Division continued to provide its vital co-ordination and support services.

Safety Education Division

The division administers both the first-aid regulations under the Act and the Board's first-aid training program. It provides an information and advisory service in safety education and accident prevention, and contributes to the field of occupational health and safety through the Council of Safety Associations. During 1980 the division continued to support CUSCO (College and University Safety Council of Ontario), an associate member of the Council of Safety Associations.

Council of Safety

Associations The Council's activities in 1980 included 14 seminars on alcohol and drug abuse in the workplace. A total of 400 individuals from both labour and management attended the seminars, which were held in Toronto, Kitchener/Waterloo, St. Catharines, Thunder Bay and North Bay.

The Council and a number of individual associations also participated in the annual two-day Cavalcade of Safety in Kitchener.

Council Committees

During 1980 the Council established two new task-oriented committees. The Medical Liaison Committee was formed to look into interaction among the WCB, the medical profession and employers on compensation-related matters. The Health and Hygiene Committee, created to examine occupational health matters, produced briefs on various subjects such as the labelling of hazardous substances.

The Education Committee, formed in 1979, concentrated its efforts on exploring means of introducing safety education into the school system.

The Statistics Committee, also founded in 1979, continued to be useful as a forum for sharing information on statistical analysis and examining common problems, possible shared uses of statistics and liaison with the WCB regarding its provision of statistical data.

First-Aid Training In 1980 more than 23,000 employees received St. John Ambulance standard first-aid training at the Board's expense. Another 200 employees were trained in emergency first-aid. The increased enrollment (up from 15,000 in the standard course in 1979) is attributable in part to a new procedure for indicating to employers how many company employees are eligible for the program.

The division continued to pay administrative costs for employees taking the St. John Ambulance training program Project LIFE (Learn Industrial First Aid Effectively).

During 1980 the Board recognized the Canadian Ski Patrol's first-aid certificate as being equivalent to the St. John Ambulance standard first-aid certificate.

Council of Safety Associations

Construction Safety Association of Ontario

Electrical Utilities Safety Association of Ontario

Farm Safety Association Inc.

Forest Products Accident Prevention Association

Hospital Occupational Health and Safety Services of the Ontario Hospital Association

Industrial Accident Prevention Association

Mines Accident Prevention Association of Ontario

Ontario Pulp and Paper Makers' Safety Association

Transportation Safety Association of Ontario

Associate member:

Colleges and Universities Safety Council of Ontario

In 1980 the Human Resources Division continued to pursue its goal of providing the best possible service to operating management. A major undertaking during the year was the hiring and training of staff for the Board's two regional offices.

Human Resources Division

Human Resources

A total of 379 positions were posted during the year, and some 5,000 interviews regarding openings and related matters were conducted. The division was actively involved in the organizational changes resulting from the advent of regional operations. A personnel coordinator was appointed to administer all aspects of human resources at the regional offices, and 232 employees were hired or transferred to staff the new offices.

Salary Administration

1980 saw a marked increase in organizational studies, ranging in size from the division, region or branch levels to the usual ongoing smaller administrative studies. Reviews and revisions of existing job descriptions in a number of divisions were also conducted during the year.

Benefits, Pensions An in-depth review of the Board's employee benefit plans resulted in the revision of some plans. A direct deposit pension payment system was instituted for the Board's 450 retired employees. This change shortened cheque delivery time and eliminated dependence on the postal system.

Staff Programs During 1980, 244 employees enrolled in external academic and business courses through the Tuition Assistance Plan. Information sheets about internal training programs were developed and distributed on a quarterly (rather than annual) basis, and 506 employees attended various programs. The "Let's Discuss It" lunch hour sessions on various topics were attended by 1,870 employees.



"Let's Discuss It" session.

Equal Opportunity Program

Through the Equal Opportunity Program, the Board continued to support equal opportunity in employment during 1980. The equal opportunity co-ordinator reports directly to the Board's Vice-Chairman of Administration and General Manager.

Women's Program The trend of more women moving into management positions continued as the Equal Opportunity for Women Program entered its seventh year. In 1980, 36 per cent of all management and senior administration personnel were women, an increase of 2.8 per cent from 1979.

Handicapped Program Moving into its second year, the Equal Opportunity Program for the Handicapped concentrated on presenting information to management and staff on hiring disabled persons. Access points, the use of signs, and office space were examined in an accessibility study of the Board's premises, and various recommendations in these areas were subsequently made by the co-ordinator.

A policy on equal opportunity for the handicapped was drafted, as were implementation procedures. During the year, 14 disabled people were hired for a variety of positions.

Newsletter, Booklet The quarterly newsletter, *Equal Opportunity Outlook*, began publication in 1980, keeping staff abreast of equal opportunity issues, and training and development within and outside the Board.

The booklet, *The Selection Process at the WCB*, was printed and distributed to all employees. It explains the steps involved in applying for a new position within the Board.

Equal Opportunity policy statements were posted prominently throughout all of the Board's offices to inform staff and the public of the Board's commitment to Equal Opportunity.

During 1980 the Communications Division provided comprehensive communications services for projects such as the decentralization of claims adjudication, the Industrial Back Education Program and hire-rehabilitated-workers campaigns. The year also saw continued growth of the division's ongoing information programs.

Communications Division

Claims Decentralization

In conjunction with the Claims Services Division, the division informed all concerned parties in the London and Sudbury areas of how they would be affected by the decentralization pilot project. The communications program included radio and newspaper advertising, information articles in various publications and advance notice on an individual basis to all affected parties: injured employees receiving benefits, employers, union officials, treating agencies and elected officials. The official openings in both cities included an open house attended by more than 300 people, a news conference and reception.

Back Education Program

The Industrial Back Education Program (IBEP), developed in conjunction with the Medical Services and Safety Education divisions, went into full operation during 1980. IBEP is a prevention program for employees that uses a multi-media presentation in the workplace. The presentation is made by a staff member of the Communications Division and medical and paramedical staff from the Board's Hospital and Rehabilitation Centre.

During 1980 approximately 4,000 persons attended the 95 IBEP sessions conducted in 16 locations around the province. Requests for information about the program increased steadily over the course of the year.

Efforts to promote IBEP included speaking engagements, introductory presentations to interested firms and media liaison work. A companion brochure of "tips" on back care, *Prevent Back Injuries*, was produced during 1980.

Rehabilitation "Blitzes"

The communications component is integral to the Vocational Rehabilitation Division's program of city-by-city "blitzes" to find jobs for disabled — but rehabilitated — workers. In eight of the ten campaigns conducted during 1980, the communications program included advance publicity, advertising, a display, news conference and reception. As well as providing a variety of print materials to promote the program, the division did media liaison work, and was successful in publicizing the program and "come-backs" of individual disabled workers in each community.

Other Events During 1980

Other events during 1980 requiring the division's specialized services included the Pre-Congress Vocational Rehabilitation Seminar of the World Congress of Rehabilitation International (co-sponsored by the WCB's Vocational Rehabilitation Division); the Board's program to maintain service during the interruption in postal services; and the Board's annual appearance before the Ontario Legislature's Standing Committee on Resources Development.

Ethnic Relations The division's Ethnic Relations Section was established in 1979, and began operations dealing primarily with Ontario's Italian community. During 1980 the section extended its operations to the Portuguese community by hiring a full-time Portuguese staff member. *Periodico de Informação*, a Portuguese-language information bulletin modelled after the Italian-language *Periodico d'Informazione*, began publication by year's end.

The section continued its program of media relations work and information broadcasts during 1980. The signing of a reciprocal services agreement with WCB's Italian counterpart was publicized with news releases, a public meeting and a reprint of the agreement.

Section staff handled 2,246 information enquiries during the year.



Communications staff answered questions from the public at conventions and seminars.

Publications, Audio/Visual

New publications appearing in 1980 included two booklets in five languages containing basic information about the Board: *Making a Claim* and *Making an Appeal*, the brochure, *Amendments to The Workmen's Compensation Act*, the reference handbook, *Occupational Diseases*, and the information bulletin for the medical community, *Medical Memo*. The WCB's corporate magazine, *WCB Report*, resumed publication during 1980.

In addition, numerous updates and reprints of existing publications were undertaken during 1980. These included publications aimed at the information needs of specific groups such as employers, farmers, patients at H&RC and treatment practitioners.

The year's audio/visual projects had three purposes: promoting the hiring of disabled workers, explaining aspects of the Board's operation, such as appeals procedures, and training of staff.

Requests for Information

Approximately 11,000 information kits were distributed in 1980, and the division handled many individual information requests — in person, by mail or telephone — during the year. Division staff conducted tours of the Hospital and Rehabilitation Centre for interested parties (on an average of once a week), and prepared tailor-made information articles by request. The division also acted as a "go-between" in filling requests for WCB speakers.

Contact with the media was made about 400 times by division staff in 1980. Two news conferences were held and 18 news releases were distributed.

Exhibits, Seminars

A general exhibit on the WCB was used at four major fairs in 1980. A vocational rehabilitation exhibit was featured at conventions and seminars during the year.

Advertising Program

The Board's information program during 1980 included the broadcast of three existing television messages until the end of May. The existing series of radio messages in English, French, Italian and Portuguese was broadcast until the end of June.

Internal Communications

During 1980 the division kept the WCB's 2,800 employees abreast of staff news and organizational developments with the monthly staff magazine *Compensator* and other staff publications. The *Equal Opportunity Outlook*, a newsletter aimed at raising awareness of the Board's Equal Opportunity Program, began publication during the year.

Two audio/visual presentations for training purposes were produced during the year.

**Workmen's Compensation Board
Financial Statements and
Report on the Audit
Year Ended December 31, 1980**

| Contents | Page |
|---|-------------|
| Auditor's Opinion | 50 |
| Consulting Actuary's Report | 51 |
| Statement of Financial Position — Schedule 1 Accident Fund and Schedule 2 | 52 |
| Statement of Income and Unfunded Liability — Schedule 1 Accident Fund | 53 |
| Notes to Financial Statements | 53 |
| Schedule 2 Assets and Changes in Net Deposits | 56 |
| Schedule 1 Accident Fund — Benefit Expenses | 56 |
| Schedule 1 Accident Fund — Accident Prevention Expenses by Category and Safety Association | 57 |
| Schedule 1 Accident Fund — Administration Expenses | 58 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workmen's Compensation Board and
to the Minister of Labour.

I have examined the statement of financial position — Schedule 1 Accident Fund and Schedule 2 of Workmen's Compensation Board as at December 31, 1980 and the statement of income and unfunded liability — Schedule 1 Accident Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1980 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements, after giving effect to the change in the method of computing the estimated present value of future payments to existing Schedule 1 claimants as described in Note 6 to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in black ink, appearing to read "F.N. Scott".

Toronto, Ontario,
May 6, 1981.

F.N. Scott, F.C.A.,
Provincial Auditor.

Eckler, Brown, Segal & Company Ltd.

Consulting Actuaries

**Consulting Actuary's Report
on the Valuation of the
Actuarial Liabilities of the
Schedule 1 Accident Fund of
the Workmen's Compensation
Board of Ontario as at
December 31, 1980**

The estimated present value of future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1980 in the amount of \$2,090,000,000 has been computed by the Board's Staff Actuary in accordance with methods and assumptions approved by us. We believe that the assumptions made are appropriate for this valuation and the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

As in previous valuations, no explicit provision has been made for potential future legislated amendments to The Workmen's Compensation Act, such as potential increases in the level of compensation and pensions in response to inflationary pressure. However, in previous valuations, the assumed interest rate has been increased annually to reflect increases in the yields of the Board's current investments and projected future investments, which have been due primarily to such inflationary pressure. In this valuation, the practice of increasing the assumed interest rate annually has been discontinued, which we believe to be more consistent with the practice of not making explicit provision for potential future amendments to the Act. Except for this change in method, the methods and assumptions employed were substantially the same as those employed in the previous valuation as of December 31, 1979.

In our opinion, which includes the foregoing comments, the amount of \$2,090,000,000 as at December 31, 1980 makes reasonable provision for future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1980.

The block contains two handwritten signatures in dark ink. The signature on the left is 'S. Eckler' and the signature on the right is 'David A. Short'.

Samuel Eckler, F.S.A., F.C.I.A.

David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

May 6, 1981.

Statement of Financial Position
Schedule 1 Accident Fund
and Schedule 2
December 31, 1980

| Assets | 1980 | (\$000's) | 1979 |
|--|-------------------|------------------|-------------------|
| Cash | 2,302 | | 4,394 |
| Investments (Note 2) | 1,490,474 | | 1,351,140 |
| Assets held for Schedule 2 employers | 6,860 | | 7,242 |
| Other assets (Note 3) | 211,081 | | 234,305 |
| Land, buildings and equipment (Note 4) | 19,430 | | 19,066 |
| Total assets | 1,730,147 | | 1,616,147 |
| Liabilities | | | |
| Accounts payable and accrued charges (Note 5) | 31,560 | | 23,438 |
| Net deposits by Schedule 2 employers | 6,860 | | 7,242 |
| Estimated present value of future payments to existing Schedule 1 claimants (Note 6) | 2,090,000 | | 1,990,000 |
| Total liabilities | 2,128,420 | | 2,020,680 |
| Unfunded Liability | (398,273) | | (404,533) |

Approved by the Board



Chairman



Vice Chairman of Administration

**Statement of Income and
Unfunded Liability
Schedule 1 Accident Fund
Year Ended December 31, 1980**

| Income | 1980 | (\$000's) 1979 |
|--|------------------|-----------------------|
| Assessments and penalties (net of uncollectible assessments 1980 — \$17,577; 1979 — \$6,900) | 529,109 | 576,525 |
| Investment income — net (Note 7) | 141,304 | 120,512 |
| Total income | 670,413 | 697,037 |
| Expenses | | |
| Benefits | 571,520 | 644,569 |
| Accident prevention | 17,978 | 15,277 |
| Administration | 56,618 | 47,311 |
| Medical and rehabilitation services | 11,977 | 9,764 |
| Mine rescue | 581 | 463 |
| Occupational health and safety (Note 8) | 5,479 | — |
| Total expenses | 664,153 | 717,384 |
| Excess of income over expenses (expenses over income) for the year | 6,260 | (20,347) |
| Unfunded liability, beginning of year | (404,533) | (384,186) |
| Unfunded liability, end of year | (398,273) | (404,533) |

**Notes to the Financial Statements
Year Ended December 31, 1980**

1. Accounting Policies

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages, each plus or minus the unamortized balance of losses or gains on sales. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield deferred on the statement of financial position and amortized over the lesser of the period to maturity of the security sold or 20 years. Short term investments are carried at cost.

Land, buildings and equipment

Land, buildings and equipment are stated at cost. Buildings and equipment are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers; at year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Notes to the Financial Statements
Year Ended December 31, 1980

Assessment policies

The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated pres-

ent value of future payments to existing Schedule 1 claimants. The estimated present value of future payments to existing Schedule 1 claimants is determined annually on the basis of actuarial valuations.

| 2. Investments | 1980 | (\$000's) | 1979 |
|--|-------------|------------------|-------------|
| Bonds | 1,035,824 | | 900,121 |
| Mortgages | 356,125 | | 305,122 |
| | 1,391,949 | | 1,205,243 |
| Unamortized portion of realized losses, net of gains, on sale of investments | 12,688 | | 7,011 |
| | 1,404,637 | | 1,212,254 |
| Short term | 85,837 | | 138,886 |
| | 1,490,474 | | 1,351,140 |

| 3. Other assets | 1980 | (\$000's) | 1979 |
|----------------------------------|-------------|------------------|-------------|
| Accrued investment income | 27,107 | | 25,987 |
| Accrued assessment income | 20,000 | | 45,000 |
| Assessment and other receivables | 163,967 | | 163,270 |
| Prepaid administration expenses | 7 | | 48 |
| | 211,081 | | 234,305 |

4. Land, buildings and equipment

(\$000's)

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation Rates |
|------------------------|-------------|--|-----------------------|---------------------------|
| Land | 6,754 | - | 6,754 | - |
| Buildings | 10,071 | 4,090 | 5,981 | 2-1/2% |
| Roads | 41 | 33 | 8 | 10% |
| Leasehold improvements | 1,951 | 755 | 1,196 | 10% |
| Equipment | 12,282 | 7,431 | 4,851 | 20% |
| Motor vehicles | 1,078 | 438 | 640 | 25% |
| | 32,177 | 12,747 | 19,430 | |

Notes to the Financial Statements
Year Ended December 31, 1980

| 5. Accounts payable and accrued charges | 1980 | (\$000's) | 1979 |
|--|---------------|------------------|-------------|
| Accounts payable and accrued charges | 31,475 | | 23,283 |
| Due to Schedule 2 | 85 | | 155 |
| | 31,560 | | 23,438 |

6. Estimated present value of future payments to existing Schedule 1 claimants

As in previous years, no explicit provision has been made for potential future legislated amendments to The Workmen's Compensation Act, such as potential increases in the level of compensation and pensions in response to inflationary pressure. In addition, the assumed interest rate was set each year to reflect the yield of the Board's current investments and projected future investments. This year, however, the practice of increasing the as-

sumed interest rate has been discontinued, which is believed to be more consistent with the practice of not making explicit provision for potential future amendments to the Act.

As a result, the estimated present value of future payments to existing Schedule 1 claimants has been established at \$2,090 million. Had the previous practice of increasing the assumed interest rate been continued, the estimated present value of future payments to existing Schedule 1 claimants would have been established at \$1,980 million.

| 7. Investment income | 1980 | (\$000's) | 1979 |
|---|-----------------|------------------|-------------|
| Investment income | 144,042 | | 121,593 |
| Less: Amortization of losses, net of gains, | | | |
| on sale of investments | (2,385) | | (845) |
| Investment administration expenses | (353) | | (236) |
| | 141,304 | | 120,512 |

8. Occupational Health and Safety Act

The amount of \$5.479 million represents the portion of the levies which the Ministry of Labour by Orders in Council dated January 23, 1980 and January 29, 1981 made on the Workmen's Compensation Board in order to defray the Ministry's costs relating to the administration of The Occupational Health and Safety Act, 1978 for the period from October 1, 1979 to December 31, 1980.

9. Schedule 1 and Schedule 2

The financial statements include the activities of Schedule 1 and Schedule 2 during the year as well as their financial position at the end of the year. Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where the employers are individually liable to pay compensation and medical aid.

**Module 2 Assets and
Changes in Net Deposits
December 31, 1980**

| Assets | 1980 (\$000's) | 1979 |
|---|-----------------------|---------------|
| Cash | 347 | 100 |
| Investments — not in excess of amortized cost | 7,128 | 6,857 |
| Accrued interest | 123 | 116 |
| Accounts (payable) receivable | (823) | 14 |
| Due from Schedule 1 Accident Fund | 85 | 155 |
| | 6,860 | 7,242 |
| Changes in net deposits | | |
| Reimbursements from employers | 40,158 | 36,864 |
| Investment income | 744 | 552 |
| | 40,902 | 37,416 |
| Deduct | | |
| Benefits to workmen — Compensation | 16,991 | 13,992 |
| — Medical aid | 6,778 | 6,914 |
| — Rehabilitation | 423 | 321 |
| — Pensions | 17,092 | 13,711 |
| | 41,284 | 34,938 |
| (Decrease) increase in net deposits during year | (382) | 2,478 |
| Net deposits, beginning of year | 7,242 | 4,764 |
| Net deposits, end of year | 6,860 | 7,242 |

**Schedule 1 Accident Fund —
December 31, 1980**

| | 1980 (\$000's) | 1979 |
|--|-----------------------|----------------|
| Payments during the year | | |
| Compensation | 259,222 | 209,053 |
| Medical Aid | 64,857 | 61,236 |
| Rehabilitation | 8,673 | 6,922 |
| Pensions | 139,668 | 108,598 |
| | 472,420 | 385,809 |
| Less: Recovered from third parties | 900 | 1,240 |
| | 471,520 | 384,569 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants: | | |
| Current | 100,000 | 70,000 |
| Legislative amendments | — | 190,000 |
| | 100,000 | 260,000 |
| Total benefit expenses | 571,520 | 644,569 |

The estimated present value of future payments to existing Schedule 1 claimants has changed during the year as follows:

| | | |
|-----------------------------------|------------------|------------------|
| Balance, beginning of year | 1,990,000 | 1,730,000 |
| Provision for increase (as above) | 100,000 | 260,000 |
| Balance, end of year | 2,090,000 | 1,990,000 |

**Schedule 1 Accident Fund
Accident Prevention Expenses
By Category and Safety
Association
Year Ended December 31, 1980**

| By Category | 1980 | (\$000's) | 1979 |
|----------------------------------|---------------|------------------|---------------|
| Salaries and employees' benefits | 9,680 | | 8,396 |
| Travel and vehicle maintenance | 1,542 | | 1,282 |
| Supplies and services | 404 | | 323 |
| Equipment rental and maintenance | 110 | | 78 |
| Depreciation of equipment | 130 | | 114 |
| Occupancy costs | 807 | | 721 |
| Security services and insurance | 28 | | 27 |
| Communications and publications | 4,324 | | 3,603 |
| Miscellaneous | 953 | | 733 |
| | 17,978 | | 15,277 |

| By Safety Associations | | | |
|--|---------------|--|---------------|
| Construction Safety Association of Ontario | 5,762 | | 5,141 |
| Electrical Utilities Safety Association of Ontario | 815 | | 654 |
| Forest Products Accident Prevention Association | 898 | | 836 |
| Farm Safety Association Inc. | 515 | | 440 |
| Hospital Accident Prevention Association | 557 | | 405 |
| Industrial Accident Prevention Association | 7,527 | | 6,109 |
| Mines Accident Prevention Association of Ontario | 804 | | 722 |
| Ontario Pulp & Paper Makers' Safety Association | 329 | | 274 |
| Transportation Safety Association of Ontario | 771 | | 696 |
| | 17,978 | | 15,277 |

**Schedule 1 Accident Fund —
Administration Expenses
Year Ended December 31, 1980**

| | 1980 (\$000's) | 1979 |
|--|----------------|--------|
| Salaries and employees' benefits | 55,436 | 46,957 |
| Travel and vehicle maintenance | 2,213 | 1,312 |
| Supplies and services | 2,074 | 1,756 |
| Equipment rentals and maintenance | 4,481 | 2,655 |
| Depreciation of equipment | 1,566 | 1,517 |
| Occupancy costs — net | 3,059 | 2,526 |
| Security services and insurance | 258 | 202 |
| Data processing costs | 421 | 253 |
| Communications and publications | 3,968 | 3,593 |
| Chest examining station costs | 574 | 441 |
| Credit reports and legal expenses | 444 | 450 |
| Professional fees and services | 249 | 321 |
| Miscellaneous | 1,389 | 1,106 |
| | 76,132 | 63,089 |
| Less: Administration expenses charged to: | | |
| Hospital and Rehabilitation Centre | 100 | 100 |
| Medical and Rehabilitation Services | 11,977 | 9,764 |
| Schedule 2 | 7,437 | 5,914 |
| | 19,514 | 15,778 |
| Net charged to statement of income and unfunded liability Schedule 1 Accident Fund | 56,618 | 47,311 |

**Workmen's Compensation Board
Superannuation Fund
Financial Statements and
Report on the Audit
Year Ended December 31, 1980**

Contents

| | Page |
|---|------|
| Auditor's Opinion | 60 |
| Statement of Net Assets | 61 |
| Statement of Transactions and Fund Balance | 61 |
| Notes to Financial Statements | 62 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workmen's Compensation Board and
to the Minister of Labour.

I have examined the statement of net assets of Workmen's Compensation Board Superannuation Fund as at December 31, 1980 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1980 and the changes in Fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in dark ink, appearing to read "F.N. Scott".

Toronto, Ontario,
May 6, 1981

F.N. Scott, F.C.A.,
Provincial Auditor

**Workmen's Compensation Board
Superannuation Fund
Statement of Net Assets
December 31, 1980**

| Assets (Liabilities) | 1980 | (\$000's) | 1979 |
|-----------------------------|-------------|------------------|-------------|
| Cash | 12 | | 940 |
| Investments (Note 2) | 93,562 | | 82,408 |
| Accrued investment income | 1,285 | | 1,298 |
| (Accounts Payable) | (74) | | (640) |
| | 94,785 | | 84,006 |

Actuarial valuation (Note 3).

Approved by the Board:



Chairman



Vice Chairman
of Administration

**Workmen's Compensation Board
Superannuation Fund
Statement of Transactions
and Fund Balance
Year Ended December 31, 1980**

| | 1980 | (\$000's) | 1979 |
|--|-------------|------------------|-------------|
| Contributions received from: | | | |
| The Board and the Safety Associations | 2,769 | | 2,424 |
| The employees of the Board and the Safety Associations | 2,592 | | 2,429 |
| | 5,361 | | 4,853 |
| Investment income | 8,291 | | 7,412 |
| | 13,652 | | 12,265 |
| Deduct | | | |
| Pensions paid | 2,451 | | 2,340 |
| Contributions plus interest refunded to staff | 422 | | 412 |
| | 2,873 | | 2,752 |
| Increase in the fund for the year | 10,779 | | 9,513 |
| Fund balance, beginning of year | 84,006 | | 74,493 |
| Fund balance, end of year | 94,785 | | 84,006 |

**Workmen's Compensation Board
Superannuation Fund
Notes to the Financial
Statements
Year Ended December 31, 1980**

1. Accounting policy

Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for shares and short-term paper.

| 2. Investments | 1980 | (\$000's) | 1979 |
|-----------------------|---------------|------------------|-------------|
| Bonds | 53,924 | | 53,857 |
| Mortgages | 14,811 | | 13,839 |
| Equities | 20,678 | | 10,552 |
| | 89,413 | | 78,248 |
| Short term | 4,149 | | 4,160 |
| | 93,562 | | 82,408 |

3. Actuarial valuation

The most recent triennial actuarial valuation as at December 31, 1980 is presently being finalized. The exact position of the Fund is not known at this time.

The last triennial actuarial valuation as at December 31, 1977 determined that the Fund was in a surplus position.

During 1980, the recommendation of the Royal Commission on the Status of Pensions in Ontario was that any surplus should be refunded to the Board (as an offset against the Board's current service costs) and that the plan not be permitted to continue in a surplus position in the future. The final determination of the aforementioned recommendation is not known at this time.

Workmen's Compensation Board
offices are located throughout
Ontario

| | |
|--|--|
| Toronto Head Office (416) 965-8722 | 2 Bloor Street East Toronto, Ontario M4W 3C3 |
| Metro Toronto Information Centre (416) 965-8864 | 1382 St. Clair Avenue West Toronto, Ont. M6E 1C6 |
| Hamilton (416) 523-1800 | 100 Main Street East Room 108-110 Hamilton, Ont. L8N 3W6 |
| Kingston (613) 544-9682 | 1055 Princess Street Room 303 Kingston, Ont. K7L 5T3 |
| Kitchener/Waterloo (519) 576-4130 | 153 Frederick Street Kitchener, Ont. N2H 2M2 |
| London (519) 433-2331 | 200 Queens Avenue Second Floor London, Ont. N6A 1J3 |
| North Bay (705) 472-5200 | 189 Wyld Street North Bay, Ont. P1B 1Z2 |
| Ottawa (613) 238-7851 | 350 Sparks Street Room 206 Ottawa, Ont. K1R 7S8 |
| Sault Ste. Marie (705) 942-3002 | 421 Bay Street Third Floor Sault Ste. Marie, Ont. P6A 1X3 |
| St. Catharines (416) 937-2020 | 282 Linwell Road Room 120 St. Catharines, Ont. L2N 6N5 |
| Sudbury (705) 675-9301 | 30 Cedar Street Sudbury, Ont. P3E 1A4 |
| Thunder Bay (807) 623-4545 | 1265 Arthur Street East Room 101 Thunder Bay, Ont. P7E 6E7 |
| Timmins (705) 267-6427 | 273 Third Avenue Room 204 Timmins, Ont. P4N 1E2 |
| Windsor (519) 256-3461 | 787 Ouellette Avenue Windsor, Ont. N9A 4J4 |

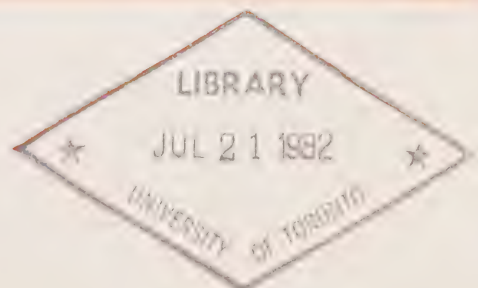
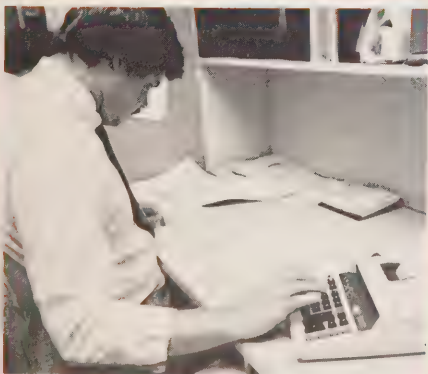
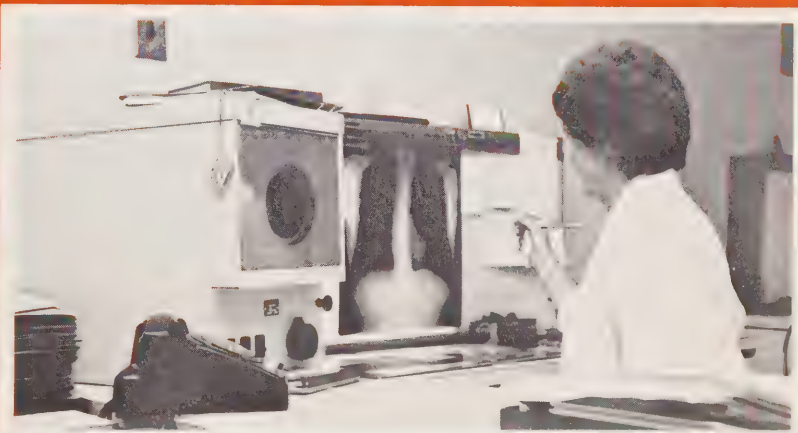
Long-distance callers may contact WCB offices free of charge. For toll-free numbers, consult your local telephone directory.



Workmen's
Compensation
Board

Annual Report 1981

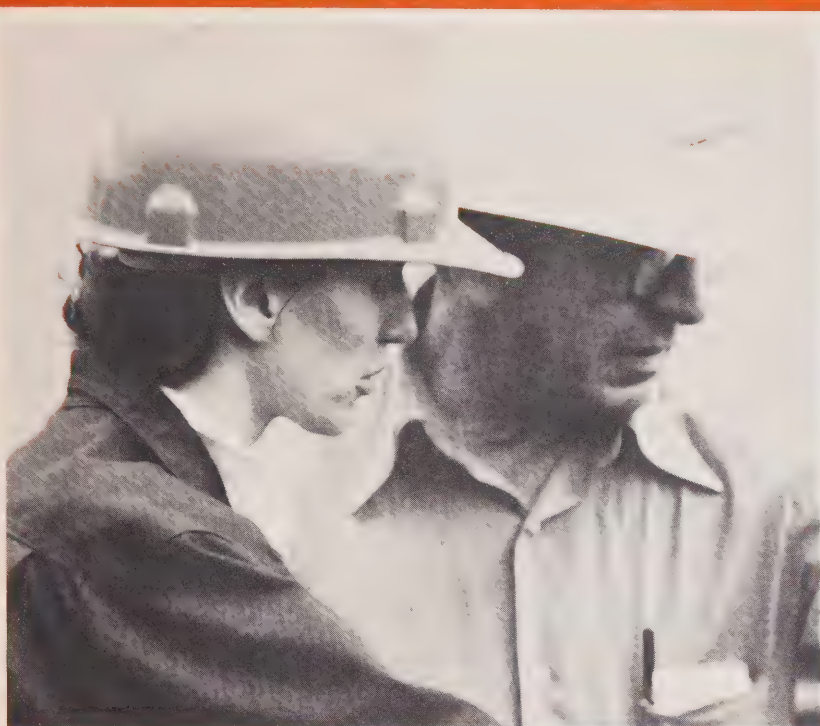
CA2ΦN
L 90
- A56





Workmen's
Compensation
Board

2 Bloor Street East
Toronto, Ontario
M4W 3C3



Annual Report 1981

The Honourable John B. Aird,
O.C., Q.C., B.A., LL.D.,
Lieutenant Governor
of Ontario

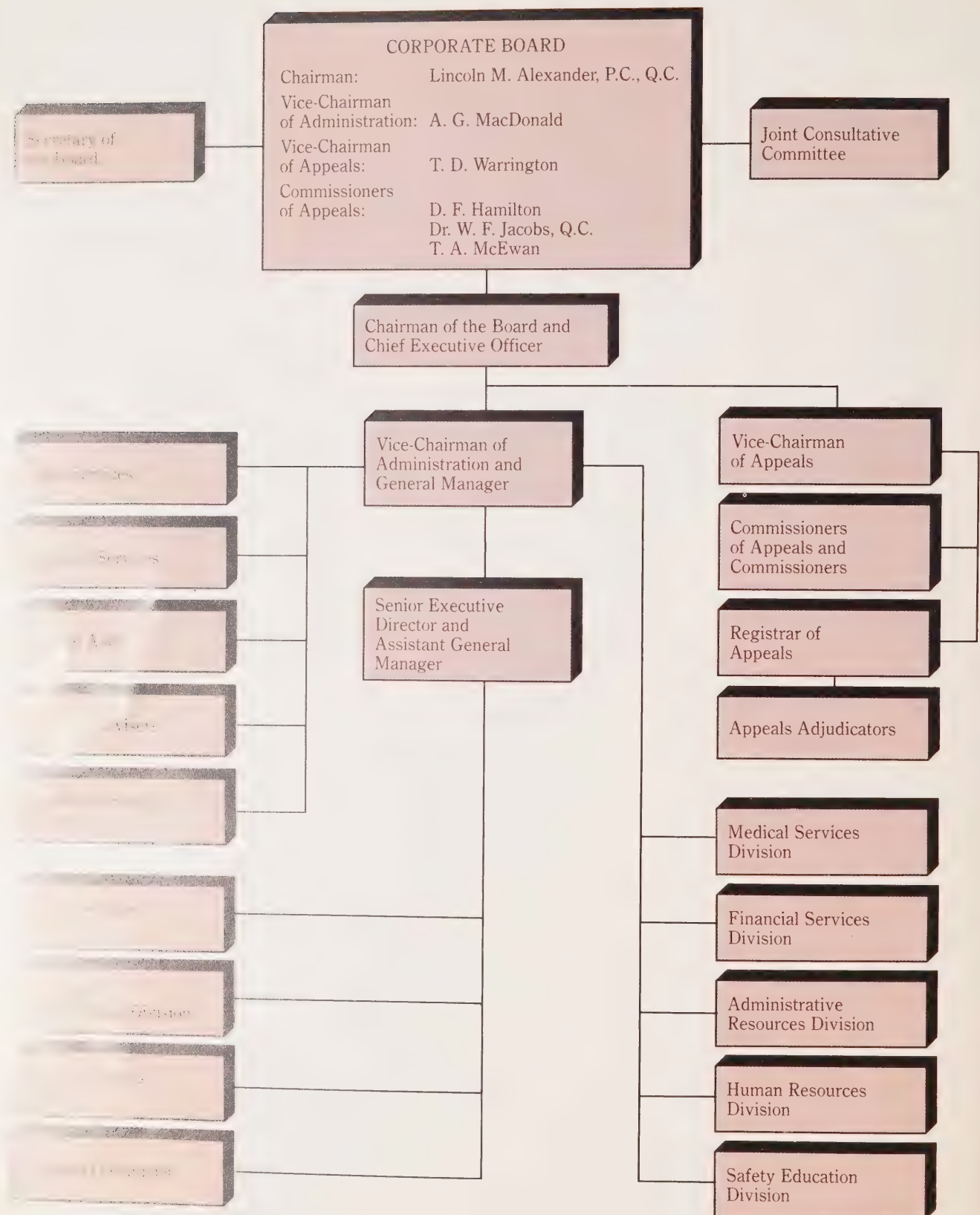
The Workmen's
Compensation Board is
pleased to submit its
annual report of operations
for 1981.

The Honourable
Lincoln M. Alexander,
P.C., Q.C.,
Chairman

Contents

| | |
|------------------------------|----|
| Summary of Operations | 3 |
| Corporate Board | 5 |
| Appeals Process | 5 |
| Claims Services | 7 |
| Medical Services | 9 |
| Vocational Rehabilitation | 13 |
| Regional Operations | 15 |
| Financial Services | 17 |
| Actuarial Services | 17 |
| Administrative Resources | 17 |
| Legal Services | 19 |
| Safety Education | 19 |
| Human Resources | 19 |
| Communications | 21 |
| Equal Opportunity Program | 21 |
| Financial Statements | 23 |

Workmen's Compensation Board 1981

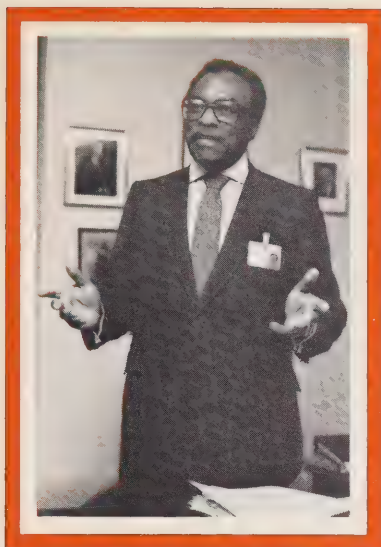


Workmen's Compensation Board — Summary of Operations
Year Ended December 31, 1981

| | 1981 | (\$000's) | 1980 |
|---|---------------|-----------|---------------|
| Payroll upon which assessment revenue was based | *\$37,000,000 | | *\$32,600,000 |
| Incidents reported as work injuries | 415,044 | | 444,674 |
| SCHEDULE 1 OF THE ACT | | | |
| SCHEDULE 1 BENEFITS PAID AND AWARDED | | | |
| Medical aid paid | \$ 85,965 | \$ | 64,793 |
| Compensation paid | 288,933 | | 259,112 |
| Rehabilitation paid | 13,341 | | 8,673 |
| Pensions awarded | 170,055 | | 141,887 |
| | \$ 558,294 | \$ | 474,465 |
| SILICOSIS BENEFITS | | | |
| Medical aid paid | \$ 95 | \$ | 64 |
| Compensation paid | 190 | | 110 |
| Rehabilitation paid | — | | — |
| Pensions awarded | 1,473 | | 1,217 |
| | \$ 1,758 | \$ | 1,391 |
| Total | \$ 560,052 | \$ | 475,856 |
| LEGISLATIVE AMENDMENTS | \$ 360,000 | \$ | — |
| Total payments and awards under Schedule 1 of the Act | \$ 920,052 | \$ | 475,856 |
| SCHEDULE 2 OF THE WORKMEN'S COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | | |
| SCHEDULE 2 BENEFITS PAID | | | |
| Medical aid paid | \$ 9,189 | \$ | 6,778 |
| Compensation paid | 18,412 | | 16,991 |
| Rehabilitation paid | 524 | | 423 |
| Pensions paid | 20,452 | | 17,092 |
| | \$ 48,577 | \$ | 41,284 |
| Compensation paid directly by Schedule 2 employers | \$ 15,371 | \$ | 14,185 |
| Total benefits paid under Schedule 2 | \$ 63,948 | \$ | 55,469 |
| Awards and payments (exclusive of legislative increase above) | \$ 624,000 | \$ | 531,325 |
| Legislative increases | \$ 360,000 | \$ | — |
| Awards, payments and legislative increases | \$ 984,000 | \$ | 531,325 |

*Estimated adjusted payroll





*Lincoln M. Alexander
Chairman*

Appeal hearings are held at the WCB's head office in Toronto and in seven other locations throughout the province — Sault Ste. Marie, Sudbury, Thunder Bay, Timmins, Windsor, London and Ottawa.

During 1981, appeals adjudicators allowed or partially allowed 52.5 per cent of appeals. Appeal boards allowed or partially allowed 36.7 per cent of appeals heard.

A Year of Achievement

The year 1981 saw major and progressive changes at the Ontario Workmen's Compensation Board. It was also a year in which the Board had the opportunity to reflect on important studies of our compensation system, including Professor Paul Weiler's report, *Reshaping Workers' Compensation for Ontario*, and the Ontario government's White Paper on the Workers' Compensation Act.

Looking back on the year's most significant achievements, I am pleased to point to our new policy, effective December 28, 1981, of full worker access to claim files; the completion of the first year of operation of our Sudbury and London regional offices; and the addition to the Vocational Rehabilitation Division of a Job Opportunity Bank — a computer program designed to match an injured worker's abilities and interests with suitable job opportunities recorded in the computer files.

These achievements are just three examples of the Board's efforts to provide ever better and more comprehensive service to injured workers and employers throughout Ontario. What follows is a closer look at the operations of your Workmen's Compensation Board (WCB).

Corporate Board

Presiding over the activities of the Workmen's Compensation Board is the *Corporate Board*. Responsible for all policies and programs, it consists of the Chairman, who is the chief executive officer of the Board; the Vice-Chairman of Administration and General Manager, who is the chief administrative officer; the Vice-Chairman of Appeals; and three Commissioners of Appeals.

In 1981, the Corporate Board met formally 20 times and continued its customary practice of meeting with representatives of organized labour, trade and employer associations or groups, the professions, members and committees of the Ontario government, the Ombudsman, the Joint Consultative Committee, and other groups and individuals.

The Corporate Board's Vice-Chairman of Appeals supervises the operation of the *Appeals System*. This system is organizationally separate from other Board activities and hears and decides appeals from those who feel their interests are affected by an adverse decision made by one of the Board's operating divisions (such as the Claims Review Branch of the Claims Services Division).

Two-Step Appeals Process

There are two levels to the appeals process and concerned parties can request an appeal hearing at either level. In the first step, an appeals adjudicator reviews the claim and may decide the appeal on the basis of the information on file, call a hearing before an appeals adjudicator, or refer it to the second step of the system, which is a hearing by an appeal board of three commissioners.

For the second consecutive year, in 1981 the number of appeals heard by appeals adjudicators and appeal boards decreased. Appeals adjudicators held 2,608 hearings, 6.6 per cent less than in 1980. Appeal boards held 964 hearings, a decrease of 9.3 per cent from the previous year.

Volume and Type of Claims Allowed

% Change 1981-1980

| | |
|-----------------------------|-------|
| Total claims | -6.7 |
| Allowed lost-time claims | -1.1 |
| Allowed no lost-time claims | -9.7 |
| Denied claims | -9.7 |
| Other | -23.5 |

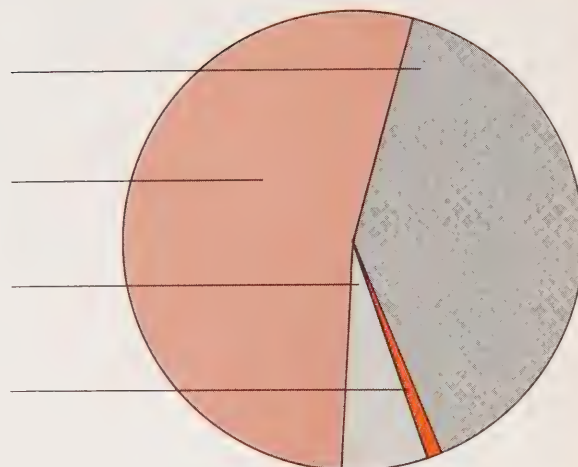
Allowed lost-time claims
163,366 (39.4%)

Allowed no lost-time claims
222,374 (53.6%)

Denied claims
25,582 (6.1%)

Other (including withdrawn or incorporated claims)
3,722 (0.9%)

1981 (with % of total claims reported — 415,044 = 100%)



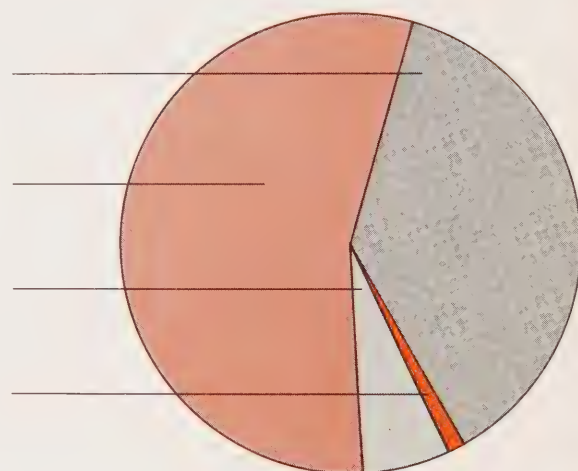
Allowed lost-time claims
165,221 (37.1%)

Allowed no lost-time claims
246,255 (55.4%)

Denied claims
28,332 (6.4%)

Other (including withdrawn or incorporated claims)
4,866 (1.1%)

1980 (with % of total claims reported — 444,674 = 100%)



Injured workers may be represented at hearings by, among others, the Board's workers' advisers or trade union representatives. Our workers' advisers, who on request will assist workers or their dependants in preparing an appeal, are independent of the entire adjudicative and appeals function and have complete freedom of action in representing the worker's interests. They may also advise employers, but do not represent them at hearings.

Access to Claim Files

Our new policy on access to claim files now provides more information to injured workers or their representatives before the appeals hearing. As of December 28, 1981, injured workers or their authorized representatives are provided with photocopies of their claim files on request, in cases where a disputable issue exists. (By "disputable issue" I mean an adverse decision made by a review group within one of the operating divisions of the Board, which has been communicated in writing to all parties concerned.)

All material in the claim file is accessible, except certain medical information which the Board might consider potentially harmful to the worker if disclosed directly. Such information is sent to the worker's physician, to be released to the worker at the physician's discretion, and the worker or worker's representative is so advised. The right of access is also extended to the employer for records which the Board deems relevant to the issue in dispute.

Claim files are processed by the WCB's *Claims Services Division*, which sees to it that injured workers receive the benefits they are entitled to under the Workmen's Compensation Act. Its three branches — Claims Adjudication, Claims Review, and Claims Information and Counselling Services — are responsible for equitable administration and prompt adjudication of claims.

In 1981, claims adjudicators across the province adjudicated 415,044 new claims, a decrease of 6.7 per cent from the 444,674 claims reported in 1980. Of total claims, 53.6 per cent (222,374) were accepted as no lost-time claims (for accidents which necessitated medical treatment, but no time off work beyond the day of the accident). Another 39.4 per cent (163,366) of claims reported were accepted as lost-time claims (involving time off work and compensation payments). Entitlement for survivors' pensions was established in 235 cases of industrial fatality.

Benefit Levels Raised

The year 1981 saw legislative amendments to the Workmen's Compensation Act which raised benefit levels to injured workers, surviving spouses and dependants. A total of 80,700 claims required adjustment as a result of the July 1, 1981 amendments. Of these, approximately 74,500 were permanent disability and dependency claims and 6,200 were claims for temporary disability.

The Adjudication Branch is also responsible for application of the Board's Second Injury and Enhancement Fund (SIEF). Created to encourage employers to hire workers with a disability, it provides financial relief to Schedule 1 employers (under the Workmen's Compensation Act) when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior

New permanent disability pensions awarded to workers during 1981 numbered 18,759, compared with 17,883 the previous year. This figure includes pensions for life as well as lump sum, provisional, temporary supplementary awards and awards increased after re-evaluation. The number of active workers' pensions on file at the end of the year was 66,842.

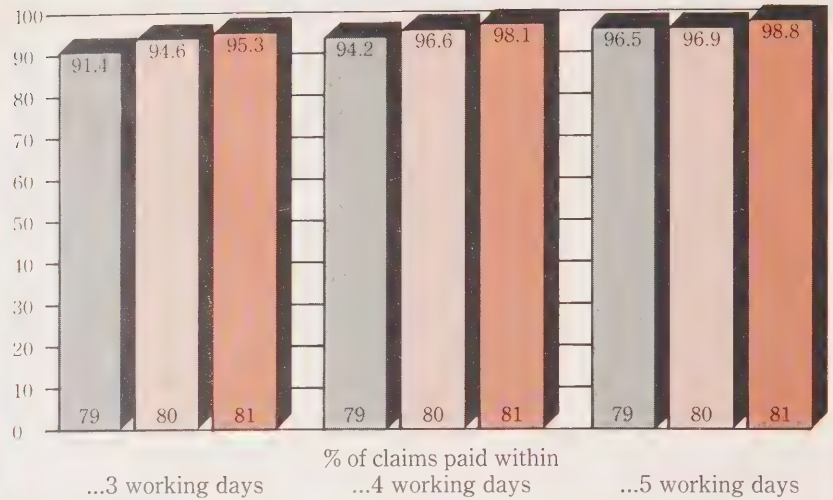
Claims Response Times, 1979-1981

A comparison over three years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.*

- * Derived from these charts:
- Claims in which there was a change in status from "no lost-time"
 - 100 hernia claims;
 - Industrial disease claims.

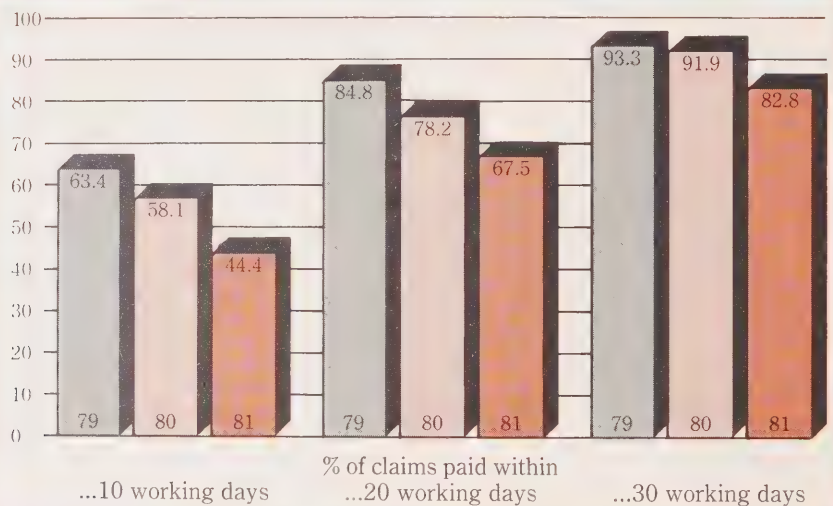
UNCOMPLICATED CLAIMS

(Requiring only one report from employer)



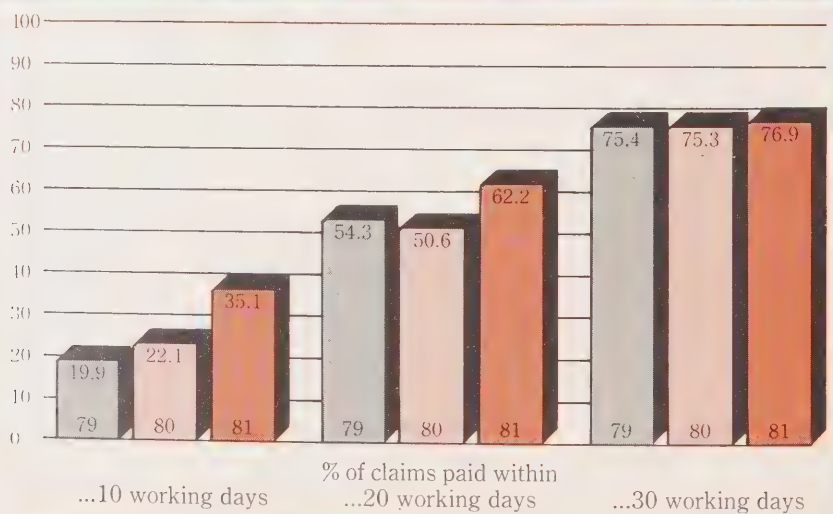
COMPLICATED CLAIMS

(Requiring more than one report from employer)



COMPLICATED CLAIMS

(Requiring more than one report from employer)



The Claims Information and Counselling Services Branch offers assistance to clients in their first language whenever possible. In 1981, branch personnel at head office and the nine area and information service offices included 102 people fluent in a wide variety of languages, including Italian (38), French (29), Ukrainian (6), Portuguese (4), and Spanish (4). An additional 148 multilingual staff throughout head office may be called upon to interpret as required.

In 1981, the 35 full-time physicians in the Medical Branch examined 111,637 claim files, a 4.9 per cent decrease from 1980's 117,498. The number of files reviewed by the 10 section medical advisers in Extended Disability also decreased, from 99,864 in 1980 to 94,459.

condition is charged to the fund rather than to the current employer. Compensation and medical aid costs transferred to SIEF in 1981 totalled \$77,924,181 (up from \$62,150,163 in 1980) for 26,670 claims.

The Claims Review Branch at head office reviews all claims in which an adjudicator recommends denial or limitation of entitlement, and all objections to decisions. A Review Branch specialist scrutinizes the claim to ensure the adjudicator has obtained all pertinent information and considers the adjudicator's written reasons and policy references.

In 1981, the Review Branch reviewed 19,595 claims. The adjudicator's recommendation was confirmed in 59.1 per cent of claims and reversed in 4.6 per cent. The claim was returned for alternate action or directed for further review in 36.3 per cent of cases. The majority of claims in this final group, however, are ultimately accepted.

Through the WCB's head office, six area and three information service offices, the Claims Information and Counselling Services Branch provides information and counselling to the public regarding Board policy and individual claims. The branch also conducts field enquiries for other branches of Claims Services and the appeals system.

Claims Information administers the Telephone Enquiry Services Section, which in 1981 received 532,245 queries. In area and information service offices, 724,788 telephone requests for information were handled. Claims Enquiry counsellors at head office looked after 50,783 in-person enquiries in 1981. Visitors to the area and information service offices averaged 10,360 per month.

For those communities not directly served by one of the area or information service offices, the branch provides Claims Visiting Counselling Services. During 1981, counsellors regularly visited 13 communities, primarily in Northern Ontario: Kirkland Lake, New Liskeard, Hearst, Kapuskasing, Cochrane, Dryden, Red Lake, Kenora, Fort Frances, Atikokan, Ignace, as well as Sarnia and Cornwall.

The branch's decentralized staff of claims investigators gather information on claims when field enquiries are necessary. During 1981, 11,536 claims were investigated in order to reach a fair decision, an 8.4 per cent increase over 1980.

Medical Service to Injured Workers

Working closely with Claims Services, the *Medical Services Division* strives to return the injured worker to a productive and satisfying life, both at home and in the workplace. The division's functions include monitoring medical care and advising on treatment of injured workers, assessing and paying medical aid accounts and related expenses, supplying medical input into the development of claims policy, and providing medical opinions in the adjudication of individual claims.

The division (with Claims Services) also evaluates residual impairment in claims for pensions and supervises all facilities and programs in medical rehabilitation at the Board's Hospital and Rehabilitation Centre (H&RC) in Downsview (a suburb of Toronto). Division staff identify industrial disease trends, determine cause-

Lost-Time Claims by Nature of Injury/Illness, 1981

| | CLAIMS | % OF TOTAL CLAIMS |
|----------------------------------|----------------|-------------------|
| OCCUPATIONAL INJURY | | |
| Sprains, strains | 45,479 | 27.8 |
| Cuts, lacerations, open wounds | 20,845 | 12.8 |
| Contusions — intact skin | 18,008 | 11.0 |
| Fractures | 8,057 | 4.9 |
| Scratches, abrasions | 5,649 | 3.5 |
| Burns, scalds (heat) | 4,185 | 2.6 |
| OCCUPATIONAL ILLNESS | | |
| Chemical burns | 1,240 | 0.8 |
| Ultraviolet rays, welders' flash | 1,034 | 0.6 |
| Hearing loss or impairment | 955 | 0.6 |
| Dermatitis | 676 | 0.4 |
| Fume toxicity, smoke inhalation | 659 | 0.4 |
| Tenosynovitis | 532 | 0.3 |
| Other Injuries and Illnesses | 56,047 | 34.3 |
| TOTAL | 163,366 | 100.0 |

Lost-Time Claims by Part of Body Injured, 1981

| | CLAIMS | % OF TOTAL CLAIMS |
|---------------------|----------------|-------------------|
| PART OF BODY | | |
| Back | 42,908 | 26.3 |
| Finger(s) | 20,782 | 12.7 |
| Lower leg | 10,344 | 6.3 |
| Multiple parts | 9,937 | 6.1 |
| Ankle | 7,459 | 4.6 |
| Hand | 7,183 | 4.4 |
| Eye(s) | 7,108 | 4.3 |
| Forearm | 5,441 | 3.3 |
| Leg, multiple | 4,738 | 2.9 |
| Upper arm | 4,501 | 2.8 |
| Knee | 4,343 | 2.7 |
| Shoulder(s) | 4,199 | 2.6 |
| Other | 34,423 | 21.0 |
| TOTAL | 163,366 | 100.0 |

effect relationships and participate in the development of appropriate adjudication guidelines. Often in conjunction with independent researchers, they are involved in the numerous research projects of the division's Medical Branch, some concerned with occupational injuries and diseases, others aimed at reducing pain, aiding rehabilitation and generally improving the Board's services to injured workers.

Research in Progress

Major research into early identification of lumbar disabilities, the use of transcutaneous electrical nerve stimulators to control chronic pain, and biofeedback techniques for the control of back pain and migraine are among current projects. Others include the evaluation of recurrent dislocation of the shoulder, multiple operations on the knee, a survey of end results in the recovery process of amputation cases, and the rehabilitation success rate following cerebral vascular injuries associated with trauma.

The Medical Branch completed the Foundry Emission Research Project in 1981. As a result, guidelines developed by the Board in 1979 for the adjudication of primary lung cancer claims in Dofasco foundry workers could be extended to cover workers in other foundries (when it can be reasonably deduced that a heavy cumulative exposure to polyaromatic hydrocarbons is likely to have occurred).

Much of the division's research is based on the medical and rehabilitation care given to injured workers at the 522-bed Hospital and Rehabilitation Centre. Most patients at the Centre take a full treatment, tailor-made program, including daily sessions in occupational therapy, recreation, physiotherapy and remedial gymnastics. Typically, a patient's treatment team includes a physician, physiotherapist, occupational therapist, remedial gymnast and recreational therapist. Vocational rehabilitation counsellors also become involved in certain cases.

Admissions to the Centre were up by 5.7 per cent to 11,253 in 1981 (from 10,646 in 1980). The number of patients who completed the full treatment program increased to 6,126 from 5,955 in 1980. Of these, it was determined that 4,639 were fit to return to employment at the conclusion of treatment, a success rate of 75.7 per cent in these complicated cases.

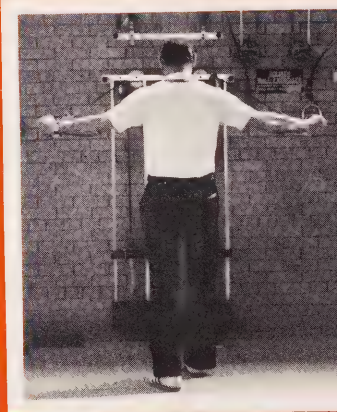
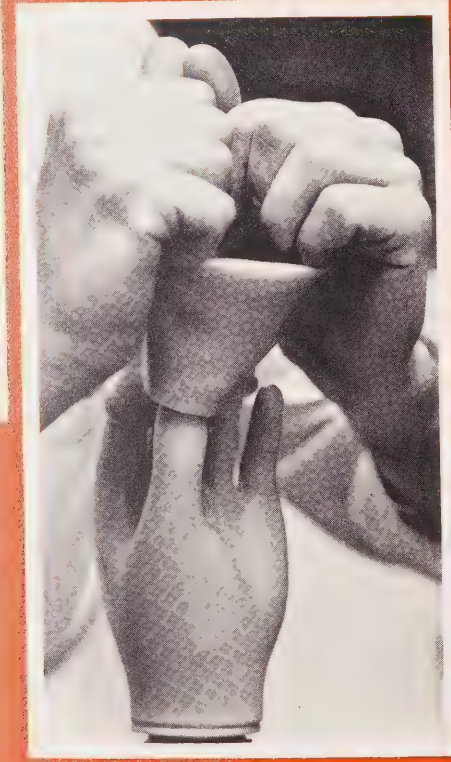
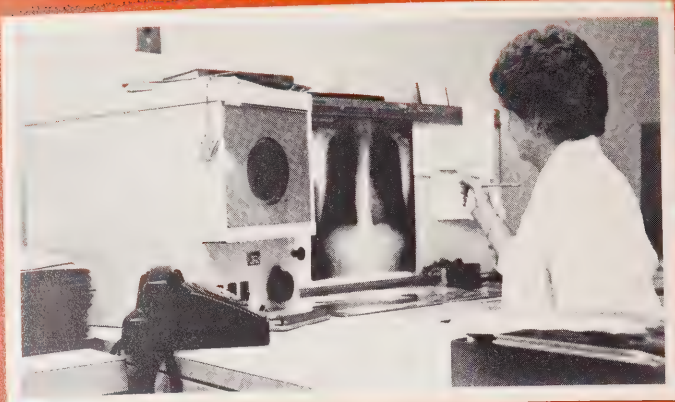
Clinics at H&RC

A number of special clinics have been developed at H&RC to deal with complex problems. The General Trauma Clinic (256 cases), Hand Clinic (711 cases) and Amputee Clinic (1,088 cases) all showed declines in the number of patients treated during 1981. However, new major amputation cases increased by a substantial 30.1 per cent, from 53 to 69, and referrals to the Head Injury and Neurology Clinic were up 65.8 per cent, from 427 in 1980 to 708 in 1981. A total of 326 cases were referred to the Psychological Social Evaluation Module in 1981, compared with 316 in 1980.

Since the Back Education Program began at the Centre in 1978, there have been 2,596 participants. The program, which helps patients cope with back disabilities, was taken by 674 patients in 1981. As in the past, approximately 45 per cent of those admitted to H&RC suffer from back disability.

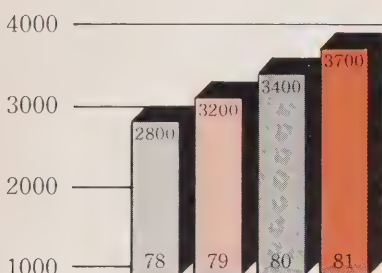
The average stay for treatment at the Hospital and Rehabilitation Centre was 18.8 days, compared with 21.2 days in 1980.

Dr. Jean Pillet, a world-renowned prosthetist from France, gave a lecture and workshop on cosmetic hand prostheses to more than 150 surgeons, physicians, nurses, therapists and prosthetists at the Board's Hospital and Rehabilitation Centre in October, 1981.



Number of Workers Rehabilitated, 1978-1981

*(Rounded to the nearest hundred)



*Includes: returned to former employment; new employment; self-employment; achieved financial self-sufficiency through other means.

The division sponsored 288 English as a Second Language courses for injured workers in 1981, enabling them to better compete in the job market.

Services by the division's social workers were completed for 898 injured workers, a 28.8 per cent increase over 1980.

Patients at the Centre continue to benefit from the use of transcutaneous electrical nerve stimulator (TENS) units to control chronic pain in certain types of cases. There was an increase in the number of units prescribed in 1981, to 801 from 746 in 1980. This brings the total number of units issued by the Centre since their introduction in 1975 to 2,833. I would like to add that, to date, 257 TENS units have been returned to the hospital because they are no longer required by patients to control pain, a sign that the units have been relatively successful. In fact, preliminary results of a survey indicate that a significant number of patients equipped with TENS units have returned to work and/or are experiencing continued relief from chronic pain.

Rehabilitated Workers Back to Work

The *Vocational Rehabilitation Division* (VRD) works in concert with Claims and Medical Services to facilitate the return of injured workers to gainful employment and a place in the community. Through the efforts of rehabilitation counsellors, various specialists and administrative staff, VRD and vocational rehabilitation personnel in the Board's two regional offices assist injured workers in securing new employment.

Since no two clients' needs are identical, the division draws upon a wide range of services in order to give each injured worker a rehabilitation program best suited to his or her needs. Services include several forms of counselling (supportive, vocational, employment, financial and social) and arranging a variety of assessments of a worker's vocational interests, aptitude and capabilities. VRD staff assist in job searches, arrange academic, skill or on-the-job training and identify job opportunities while promoting the hiring of rehabilitated workers.

In 1981, there were 5,110 new referrals for rehabilitation across the province, an increase of 634 (14.2 per cent) over 1980. Rehabilitation staff throughout Ontario were instrumental in rehabilitating 3,712 workers (up 8.7 per cent from 1980), 3,104 of whom were returned to employment. They completed 5,540 service cases in the field and initiated training programs for 2,319 injured workers. All of these figures demonstrate a significant increase over activities in 1980. In fact, 4,498 job opportunities were secured in 1981, up 26.3 per cent from the previous year.

There is every indication that this increased service can be attributed, in part, to the Vocational Rehabilitation Division's new work methods introduced in 1981. Reporting systems were streamlined and the tasks of the four operating components — Vocational Counselling, Rehabilitation Resources, Employment Services, and Policy and Review Services — were more clearly defined. Rehabilitation counselling staff at the Board's Hospital and Rehabilitation Centre now provide follow-up employment assistance to discharged patients who reside in the greater Toronto area. The In-Office and Preliminary Counselling Unit at head office also offers these services to eligible injured workers.



Job Opportunity Bank

One of the year's most important initiatives was surely the introduction of the Job Opportunity Bank (J.O.B.) computer system in June, 1981. By matching an injured worker's abilities and interests with suitable job opportunities recorded in the computer bank, J.O.B. has proven extremely beneficial to the job placement service.

The employment "blitz" program, through which staff conduct concentrated job searches on behalf of rehabilitated workers across Ontario, continued to be successful in 1981. Employment blitzes were held in Windsor, London, Kitchener, St. Catharines, Hamilton, Kingston, Ottawa, North Bay, Sault Ste. Marie, Sudbury and Thunder Bay. In addition, special efforts to find employment opportunities were directed at employers in Toronto's Italian community.

The Board has had offices in all of these cities (and Timmins) for years. As already mentioned, however, 1981 was the first full year of expanded service to what have become the Board's two *Regional Offices* — something I consider a landmark in the history of your WCB's progress and change, and a first for decentralized claims adjudication. The Sudbury Regional Office, which opened on November 3, 1980, serves the districts of Sudbury, Algoma and Manitoulin. The London Regional Office opened on December 1, 1980, and serves the counties of Huron, Middlesex, Elgin and Oxford.

Regional Offices Serve Community

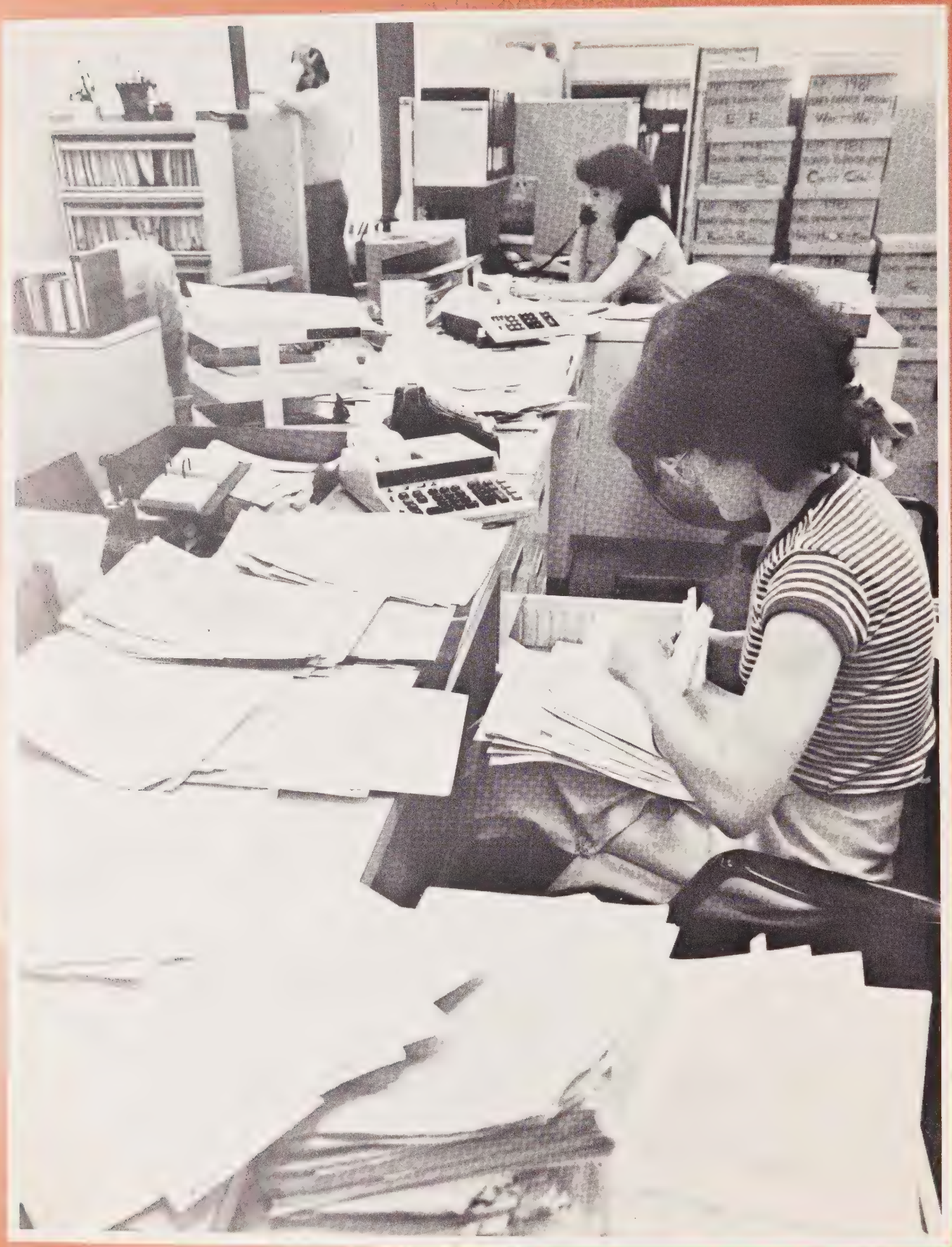
Both offices adjudicate all accident claims originating from their respective regions. (Certain claims functions are still handled at head office, including claims for industrial disease, the establishment of permanent disability awards and pension supplements, and claims in the appeals process.) Sudbury and London offices also supply such related services as identification and registration of all claims, the calculation and processing of lost-time payments and medical aid accounts, claims investigation, vocational rehabilitation counselling for workers and financial services for employers.

Decentralization of the Board's claims adjudication service has led to the more rapid processing of claims. Other benefits include the ready availability of files and information in response to local enquiries, more personalized service to clients in the region, improved efficiency in handling local rehabilitation referrals and closer teamwork among regional office personnel.

The importance of our new regional operations becomes clearer when you consider their workloads in 1981. Of a total of 415,044 new claims reported to the WCB province-wide in 1981, 24,208 and 24,943 were reported to our Sudbury and London offices respectively. Vocational rehabilitation counsellors in these offices received a total of 676 new referrals (or 13.2 per cent of the 5,110 injured workers referred for vocational rehabilitation across the province), and succeeded in rehabilitating 464 injured workers (249 in Sudbury and 215 in London). Regional medical advisers in the two offices reviewed a total of 19,281 claim files and conducted 777 medical examinations.

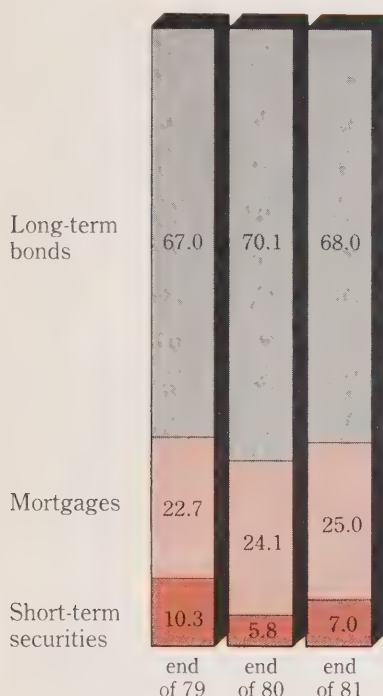
There are an estimated 200,000 workers and 4,354 employers in the Sudbury region. The London region includes an estimated 280,000 workers and 14,250 employers.

A total of 166,835 medical aid payments were processed by the two regional offices in 1981.



Changes in the Accident Fund Investment Portfolio, 1979-1981

(Percentage of total)



The WCB's regionalization project provides us with the opportunity to develop unique organizational and work methods, which complement processes already in existence at the Board.

Financial Management

The *Financial Services Division* provides a comprehensive program of financial management for all Board operations. As a result of the division's investment decisions, the Board's net investment income rose from \$141.3 million in 1980 to \$165.9 million in 1981. The running yield on the long-term portfolio also continued to improve, rising from 10.05 per cent in 1980 to 10.63 per cent in 1981. At the same time, accident fund investments (valued at amortized cost adjusted for accumulated unamortized net losses) grew to \$1.57 billion from \$1.49 billion in 1980.

The Revenue Branch of the division is responsible for classifying and assessing employers included under Schedule 1 of the Workmen's Compensation Act according to their industry classification. In 1981, a 4 per cent increase in the average assessment rate and an increase in the maximum assessable earnings from \$16,200 to \$18,500 caused assessments to rise from \$529 million (in 1980) to \$601 million. (While the maximum earnings level for computing compensation was raised again on July 1, 1981, the Board postponed the resulting increase in the maximum for assessable earnings until January 1, 1982.)

The estimated payroll reported by Schedule 1 employers increased to \$37 billion from \$32.6 billion in 1980. During 1981, the number of employers covered under Schedule 1 rose to 161,000 from 159,000 the previous year.

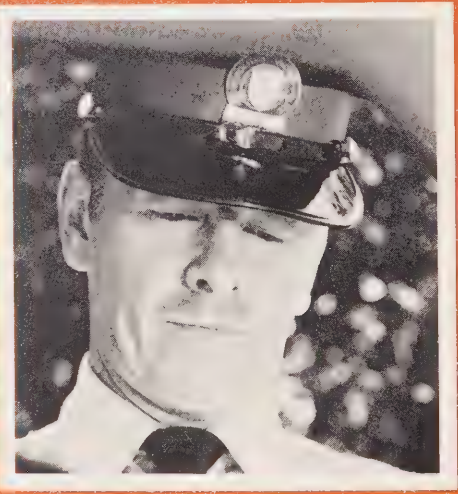
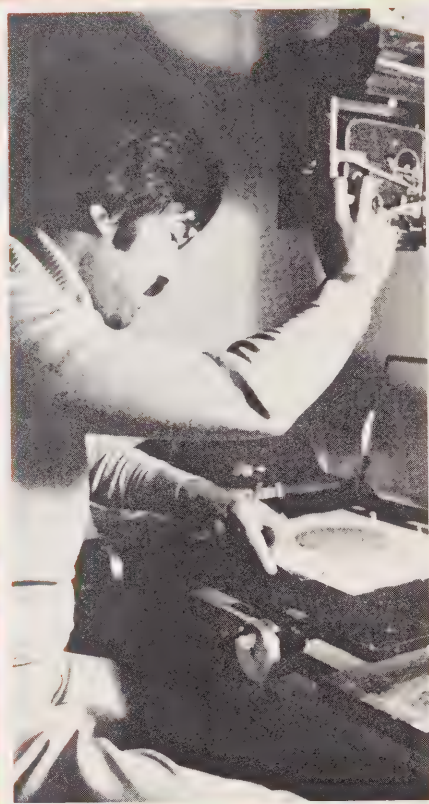
New Assessment Rates

Responsibility for determining necessary changes in assessment rates (to provide for increased benefits and to continue the policy of funding deficits over five years) rests with the Board's *Actuarial Services*. This unit computes the Schedule 1 Accident Fund's liability and evaluates the cost of legislative amendments. In 1981, new claims and new pensions awarded, plus the 1981 legislative amendment augmentation, added \$520 million to the liability.

The Corporate Board in 1981 approved an average increase of 10 per cent for 1982 assessment rates, making \$1.86 the average rate of assessment for every hundred dollars of assessable payroll in 1982 (from \$1.69 in 1981). Assessments were reduced for 17 of the 108 rate groups in Schedule 1, while three remained unchanged and 88 were increased.

In addition, Actuarial Services evaluated the cost of the benefits proposed in Professor Paul Weiler's report and assumed administration of the experience rating plan, the accident cost system and the reclassification of industries.

The six branches of the *Administrative Resources Division* provide a wide range of support services for the WCB's other divisions. The newest branch — Security Administration — was established during the year to plan and co-ordinate matters concerning physical and personal safety and security. The other branches are Information Systems Development and Processing Branch, Records Management



Branch, Office Services Branch, Program Planning and Statistical Services Branch and Works Department, Hospital and Rehabilitation Centre.

Statistical Reports

In 1981, the division responded to 331 requests for statistical information. It produced 772 accident reports (upon request from interested parties), as required under The Occupational Health and Safety Act, 1978. Staff assisted Professor Paul Weiler in his review of the Workmen's Compensation Board by preparing statistical reports, and also prepared reports on asbestosis claims for the Royal Commission on the Study of Asbestosis in Ontario.

At the Hospital and Rehabilitation Centre, the division continued to install and to upgrade equipment for safety purposes. And during the 1981 postal disruption, staff directed 288,000 pieces of mail received through the Board's depots and distributed 148,000 cheques to injured workers, pensioners and treating agencies — 84 per cent of total cheques processed.

Turning briefly to the work of the Board's *Legal Services*, it advises the Corporate Board and operating management on legal matters. The group assists in the drafting of legislation and regulations affecting workers' compensation in Ontario and in performing the function of appeals administrator for hearings under Section 15 of the Workmen's Compensation Act (which allows the Board to make a ruling when an employee's right to claim compensation is disputed).

Legal Services is also the group responsible for engaging in litigation on behalf of injured workers who have chosen to subrogate to the Board their right of action against negligent third parties under Section 8 of the Act.

In 1981, there were increases both in the number of litigation files opened (282) and the number of cases settled (254, compared with 176 in 1980). Damages recovered in these settlements almost doubled in 1981, from \$1,421,096 (in 1980) to \$2,553,611.

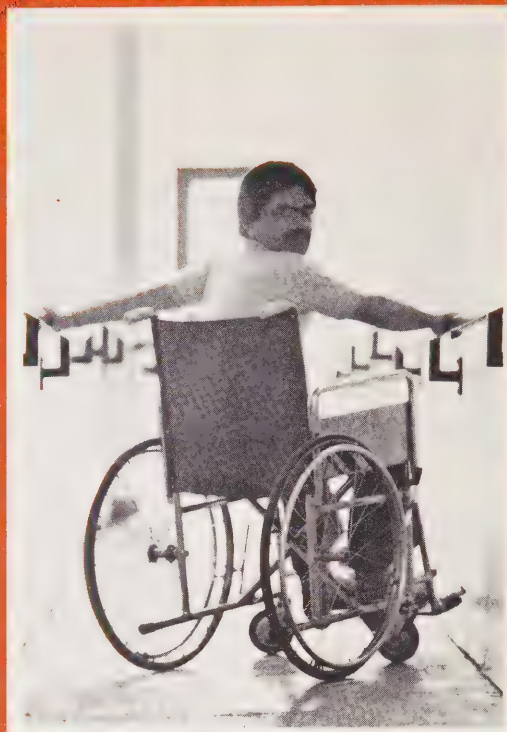
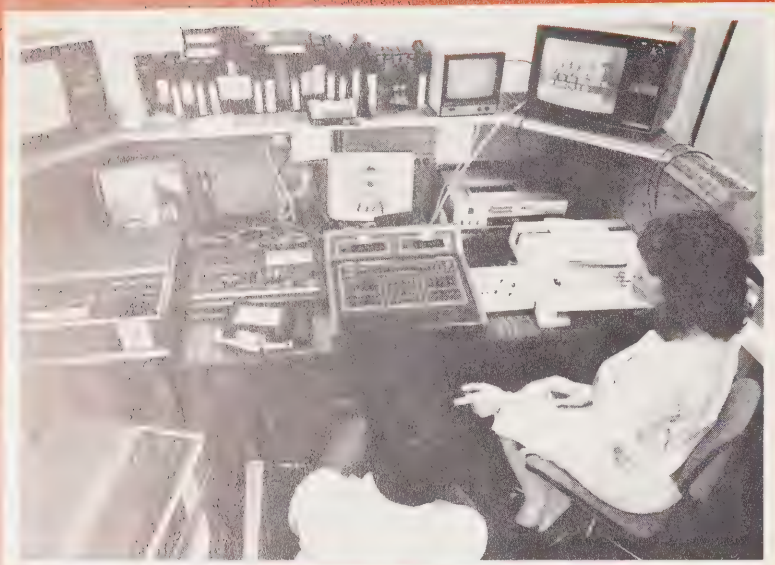
Safety Education Essential

In addition to providing injured workers with medical aid, compensation and rehabilitation, the WCB, through its *Safety Education Division*, encourages safety education and accident prevention in the workplace and makes an important contribution to the field of occupational health and safety. The division administers both the first-aid regulations under the Workmen's Compensation Act and the Board's own first-aid training program.

The Council of Safety Associations, composed of nine safety associations in the province, continued to receive financial support from the Board in 1981. Among other educational projects, the Council sponsored 12 seminars on alcohol and drug abuse in the workplace, attended by some 350 individuals from both labour and management.

Two divisions which perform important functions within the Board, although of less immediate concern to the Board's clients, are Human Resources and Communications. The *Human Resources Division* is responsible for staffing, training, salary administration, and assisting the Board's operating management in organizational

During 1981, more than 18,000 employees across Ontario were trained in first aid by St. John Ambulance and Emergency Care Instruction Services, at the Board's expense.



review and restructuring. The division also sponsors Board employees who take academic, business and skills training courses through the Board's Tuition Assistance Plan.

The function of the *Communications Division*, as its name implies, is to communicate the Board's programs, policies and procedures to the public. It does this by publicizing Board initiatives through media liaison, speaking engagements, seminars, exhibits and an array of publications in English, Italian and Portuguese. Of particular interest is the Industrial Back Education Program (IBEP), a multi-media prevention program developed in conjunction with the Medical Services and Safety Education Divisions. IBEP conducted 196 sessions throughout Ontario in 1981, providing comprehensive information on back care to employees.

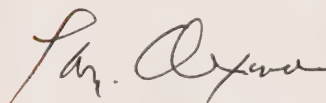
International Year of Disabled Persons

The year 1981 was also the International Year of Disabled Persons (IYDP), which involved the *Equal Opportunity Program*. Program staff supervised a number of improvements in accessibility to the Board's head office for disabled persons. A survey conducted in 1981 revealed that the Board then employed 578 people who identified themselves as handicapped or disabled. During 1981, the Board hired 17 disabled employees, seven of whom came from the vocational rehabilitation program and 10 from the community at large.

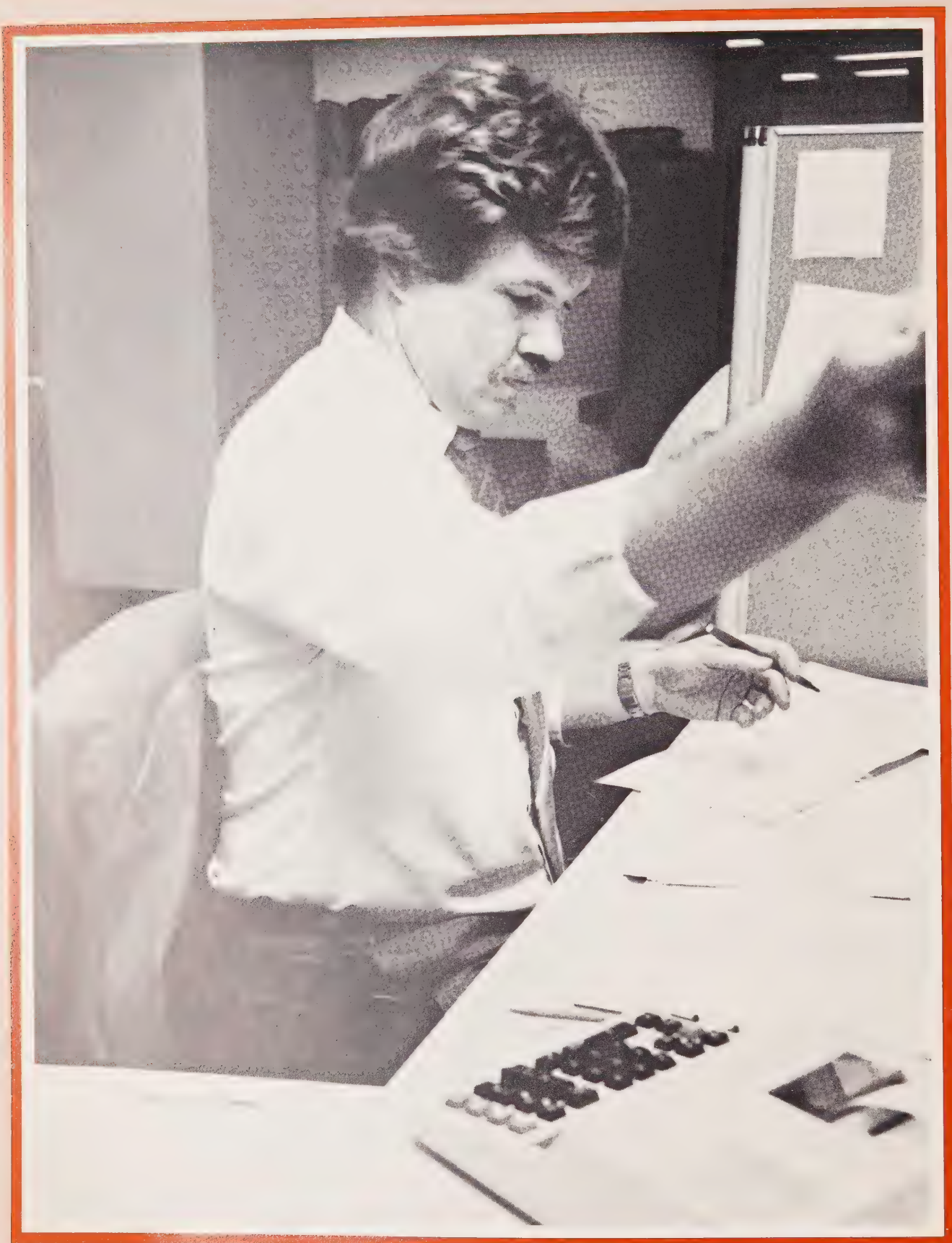
In addition to overseeing the Board's IYDP activities, Equal Opportunity staff continued to encourage the movement of women into management through the Women's Program. In 1981, 38 per cent of management and senior administrative positions at the WCB were held by women.

As you can see from this report, providing Ontario's injured workers with medical aid payments, temporary and permanent disability benefits and rehabilitation programs is a complicated task. The success of the Board in fulfilling its mandate depends on the co-operation of injured workers, their representatives, employers, the treating professions and, of course, the dedication of the 3,500 people on our staff across the province.

In this spirit of co-operation and dedication, your Workmen's Compensation Board will face the challenges of the year ahead with confidence and will continue to provide equitable, individualized service to the working men and women of this province.



Lincoln M. Alexander
Chairman



Workmen's Compensation Board
Financial Statements
Year Ended December 31, 1981

Contents

| | |
|---|----|
| Auditor's Opinion | 24 |
| Consulting Actuary's Report | 25 |
| Balance Sheet — Schedule 1 Accident Fund | 26 |
| Statement of Income, Expenses and Unfunded Liability — Schedule 1 Accident Fund | 26 |
| Balance Sheet — Schedule 2 | 27 |
| Statement of Changes in Net Deposits — Schedule 2 | 27 |
| Notes to Financial Statements | 28 |
| Schedule 1 Accident Fund — Accident Prevention Expenses by Category and Safety Association | 31 |
| Schedule 1 Accident Fund — Administration Expenses | 32 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workmen's Compensation Board
and to the Minister of Labour.

I have examined the balance sheets -- Schedule 1 Accident Fund and Schedule 2 of the Workmen's Compensation Board as at December 31, 1981 and the statements of income, expenses and unfunded liability -- Schedule 1 Accident Fund and of changes in net deposits -- Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1981 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit will be made to the Board and to the Minister.

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
April 30, 1982.

Eckler, Brown, Segal & Company Ltd.
Consulting Actuaries

Consulting Actuary's Report on the Valuation of the
Actuarial Liabilities of the Schedule 1 Accident Fund of the
Workmen's Compensation Board of Ontario
as at December 31, 1981

The estimated present value of future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1981 in the amount of \$2,610,000,000 has been computed by the Board's Staff Actuary in accordance with methods and assumptions approved by us. We believe that the assumptions made are appropriate for this valuation and the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for our purposes and consistent with the Board's financial statements.

As in previous valuations, no explicit provision has been made for potential future legislated amendments to the Workmen's Compensation Act, such as potential increases in the level of compensation and pensions in response to inflationary pressure. However, the interest rate assumed in the valuation was not increased to reflect increases during 1981 in the yields of the Board's investments related to such inflationary pressure. This maintenance of the same interest rate makes some implicit provision for potential future amendments to the Act in response to inflation. This policy was also followed in the previous valuation. The methods and assumptions employed were substantially the same as those employed in the previous valuation as at December 31, 1980.

In our opinion, which includes the foregoing comments, the amount of \$2,610,000,000 as at December 31, 1981 makes reasonable provision for future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1981.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

April 13, 1982.

Balance Sheet — Schedule 1 Accident Fund
December 31, 1981

| | 1981 | ((\$000's)) | 1980 |
|---|--------------------|-------------|--------------------|
| ASSETS | | | |
| Cash | \$ 3,546 | | \$ 16,838 |
| Investments (Note 3) | 1,569,295 | | 1,490,474 |
| Other assets (Note 4) | 248,674 | | 210,996 |
| Land, buildings and equipment (Note 5) | 19,094 | | 19,430 |
| | <u>\$1,840,609</u> | | <u>\$1,737,738</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges (Note 6) | \$ 46,749 | | \$ 46,011 |
| Estimated present value of future payments to existing Schedule 1 claimants | 2,610,000 | | 2,090,000 |
| | <u>\$2,656,749</u> | | <u>\$2,136,011</u> |
| Unfunded liability | (816,140) | | (398,273) |
| | <u>\$1,840,609</u> | | <u>\$1,737,738</u> |

Approved by the Board


Chairman

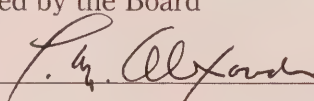



Vice-Chairman of Administration and General Manager

Statement of Income, Expenses and Unfunded Liability - Schedule 1 Accident Fund
Ended December 31, 1981

| | 1981 | ((\$000's)) | 1980 |
|--|---------------------|-------------|---------------------|
| INCOME | | | |
| Assessments and penalties (net of uncollectible assessments 1981 — \$8,593; 1980 — \$17,577) | \$ 601,470 | | \$ 529,109 |
| Investment income (Note 8) | 165,935 | | 141,304 |
| | <u>\$ 767,405</u> | | <u>\$ 670,413</u> |
| EXPENSES | | | |
| Benefits (Note 9) | \$ 556,565 | | \$ 471,520 |
| Provision for increase in estimated present value of future payments to existing claimants | | | |
| Current | 160,000 | | 100,000 |
| Legislative amendments (Note 10) | 360,000 | | — |
| Accident prevention | 21,470 | | 17,978 |
| Administration | 67,051 | | 56,618 |
| Medical and rehabilitation services | 14,687 | | 11,977 |
| Mine rescue | 799 | | 581 |
| Occupational health and safety | 4,700 | | 5,479 |
| | <u>\$1,185,272</u> | | <u>\$ 664,153</u> |
| Excess of (expenses over income) income over expenses | \$ (417,867) | | \$ 6,260 |
| Unfunded liability, beginning of year | (398,273) | | (404,533) |
| Unfunded liability, end of year | <u>\$ (816,140)</u> | | <u>\$ (398,273)</u> |

Balance Sheet — Schedule 2
December 31, 1981

| ASSETS | 1981 | ((\$000's)) | 1980 |
|---|-----------------|-------------|--|
| Cash | \$ 1,985 | | \$ 347 |
| Investments | 5,496 | | 7,128 |
| Administration expenses recoverable (Note 7) | 7,116 | | 6,275 |
| Interest and other receivables | 133 | | 130 |
| | <u>\$14,730</u> | | <u>\$13,880</u> |
| LIABILITIES | | | |
| Accounts payable | \$ — | | \$ 830 |
| Due to Schedule 1 | 7,018 | | 6,190 |
| | <u>\$ 7,018</u> | | <u>\$ 7,020</u> |
| Net deposits | 7,712 | | 6,860 |
| | <u>\$14,730</u> | | <u>\$13,880</u> |
| Approved by the Board | | | |
|  | | |  |
| Chairman | | | Vice-Chairman of Administration and General Manager |

Statement of Changes in Net Deposits — Schedule 2
Year Ended December 31, 1981

| INCREASE IN DEPOSITS | 1981 | ((\$000's)) | 1980 |
|-------------------------------------|-----------------|-------------|-----------------|
| Reimbursements from employers | | | |
| Benefits | \$48,496 | | \$40,158 |
| Administration costs | 7,939 | | 7,437 |
| Investment income | 933 | | 744 |
| | <u>\$57,368</u> | | <u>\$48,339</u> |
| DECREASE IN DEPOSITS | | | |
| Benefits to workers | | | |
| Compensation | \$18,412 | | \$16,991 |
| Medical aid | 9,189 | | 6,778 |
| Rehabilitation | 524 | | 423 |
| Pensions | 20,452 | | 17,092 |
| Administration costs | 7,939 | | 7,437 |
| | <u>\$56,516</u> | | <u>\$48,721</u> |
| Increase (decrease) in net deposits | \$ 852 | | \$ (382) |
| Net deposits, beginning of year | 6,860 | | 7,242 |
| Net deposits, end of year | <u>\$ 7,712</u> | | <u>\$ 6,860</u> |

Notes to the Financial Statements

December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis, and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages, each plus or minus the unamortized balance of losses or gains on sales. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold or 20 years. Short-term investments are carried at cost.

Market values of investments are not disclosed as the Board's policy is generally to hold them to maturity.

Land, buildings and equipment

Land, buildings and equipment are stated at cost. Buildings and equipment are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Assessment policies

The Board has established assessment policies which are deemed to be sufficient to finance an unfunded liability which has been determined to exist as a result of making the provision for the estimated present value of future payments to existing Schedule 1 claimants.

The estimated present value of future payments to existing Schedule 1 claimants is determined annually on an actuarial basis and is reviewed by independent consulting actuaries.

2. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where the employers are individually liable to pay compensation, medical aid, rehabilitation costs and pensions.

3. INVESTMENTS

| | 1981 | (\\$000's) | 1980 |
|---|--------------------|------------|--------------------|
| Bonds | \$1,053,271 | | \$1,035,824 |
| Mortgages | 388,084 | | 356,125 |
| | <u>\$1,441,355</u> | | <u>\$1,391,949</u> |
| Unamortized portion of realized losses, net of gains, on sale of investments | 18,708 | | 12,688 |
| | <u>\$1,460,063</u> | | <u>\$1,404,637</u> |
| Short term | 109,232 | | 85,837 |
| | <u>\$1,569,295</u> | | <u>\$1,490,474</u> |

4. OTHER ASSETS

| | 1981 | (\\$000's) | 1980 |
|----------------------------------|-------------------|------------|-------------------|
| Accrued investment income | \$ 29,098 | | \$ 27,107 |
| Accrued assessment income | 40,000 | | 20,000 |
| Assessment and other receivables | 172,551 | | 157,692 |
| Prepaid administration expenses | 7 | | 7 |
| Due from Schedule 2 | 7,018 | | 6,190 |
| | <u>\$ 248,674</u> | | <u>\$ 210,996</u> |

5. LAND, BUILDINGS AND EQUIPMENT

| | (\$000's) | | | |
|---------------------------|-----------------|--|-------------------|--|
| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 10,196 | 4,385 | 5,811 | 2½% |
| Leasehold improvements | 2,042 | 953 | 1,089 | 10% |
| Equipment | 13,732 | 9,070 | 4,662 | 20% |
| Motor vehicles | 1,253 | 475 | 778 | 25% |
| | <u>\$33,977</u> | <u>\$14,883</u> | <u>\$19,094</u> | |

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 1981 | (\\$000's) | 1980 |
|--------------------------------------|-----------------|------------|-----------------|
| Accounts payable and accrued charges | \$30,221 | | \$31,475 |
| Cheques issued and not yet cashed | 16,528 | | 14,536 |
| | <u>\$46,749</u> | | <u>\$46,011</u> |

7. ADMINISTRATION EXPENSES RECOVERABLE

The Board administers the payment of worker benefits on behalf of Schedule 2 employers, for which it allocates a charge to Schedule 2 employers based on the total administration costs less certain costs not appropriate to Schedule 2.

| 8. INVESTMENT INCOME | 1981 (\$000's) | 1980 |
|---|----------------|-----------|
| Investment income | \$170,160 | \$144,042 |
| Less | | |
| Amortization of losses, net of gains, on sale of investments | (3,807) | (2,385) |
| Investment administration expenses | (418) | (353) |
| | \$165,935 | \$141,304 |

| 9. BENEFIT EXPENSES | 1981 (\$000's) | 1980 |
|-----------------------------------|----------------|-----------|
| Compensation | \$289,123 | \$259,222 |
| Medical aid | 86,060 | 64,857 |
| Rehabilitation | 13,341 | 8,673 |
| Pensions | 169,793 | 139,668 |
| | \$558,317 | \$472,420 |
| Less recovered from third parties | 1,752 | 900 |
| | \$556,565 | \$471,520 |

10. LEGISLATIVE AMENDMENTS

The Workmen's Compensation Act was amended during the year by consent of the Legislative Assembly of the Province of Ontario. The effect of the amendments was to increase the amount of certain benefit payments made to claimants with the application of these increased payments having effective dates of July 1, 1980 and July 1, 1981.

The effect of the legislative amendments was to increase the estimated present value of future payments to existing Schedule 1 claimants by \$360 million.

11. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements with terms of various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

| | (\$000's) |
|------|-----------|
| 1982 | \$3,485 |
| 1983 | \$3,319 |
| 1984 | \$3,097 |
| 1985 | \$2,411 |
| 1986 | \$1,984 |

12. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

Schedule 1 Accident Fund —
Accident Prevention Expenses by Category and Safety Association
Year Ended December 31, 1981

| BY CATEGORY | 1981 | ((\$000's)) | 1980 |
|--|-----------------|-------------|-----------------|
| Salaries and employees' benefits | \$11,739 | | \$ 9,680 |
| Travel and vehicle maintenance | 1,970 | | 1,542 |
| Supplies and services | 492 | | 404 |
| Equipment rental and maintenance | 155 | | 110 |
| Depreciation of equipment | 138 | | 130 |
| Occupancy costs | 916 | | 807 |
| Security services and insurance | 47 | | 28 |
| Communications and publications | 4,693 | | 4,324 |
| Miscellaneous | 1,320 | | 953 |
| | <u>\$21,470</u> | | <u>\$17,978</u> |
| BY SAFETY ASSOCIATION | | | |
| Construction Safety Association of Ontario | \$ 6,442 | | \$ 5,762 |
| Electrical Utilities Safety Association of Ontario | 1,002 | | 815 |
| Forest Products Accident Prevention Association | 953 | | 898 |
| Farm Safety Association Inc. | 534 | | 515 |
| Hospital Accident Prevention Association | 793 | | 557 |
| Industrial Accident Prevention Association | 9,505 | | 7,527 |
| Mines Accident Prevention Association of Ontario | 1,000 | | 804 |
| Ontario Pulp & Paper Makers Safety Association | 387 | | 329 |
| Transportation Safety Association of Ontario | 854 | | 771 |
| | <u>\$21,470</u> | | <u>\$17,978</u> |

Schedule 1 Accident Fund — Administration Expenses
Year Ended December 31, 1981

| | 1981 | (S000's) | 1980 |
|---|-----------------|----------|-----------------|
| Salaries and employees' benefits | \$67,171 | | \$55,636 |
| Travel and vehicle maintenance | 2,148 | | 2,220 |
| Supplies and services | 2,370 | | 2,077 |
| Equipment rental and maintenance | 5,391 | | 4,485 |
| Depreciation of equipment | 1,328 | | 1,566 |
| Occupancy costs — net | 3,220 | | 3,070 |
| Security services and insurance | 420 | | 278 |
| Data processing costs | 452 | | 442 |
| Communications and publications | 4,549 | | 3,972 |
| Chest examining station costs | 710 | | 574 |
| Credit reports and legal expenses | 381 | | 522 |
| Professional fees and services | 500 | | 243 |
| Miscellaneous | 1,555 | | 1,400 |
| | \$90,195 | | \$76,485 |
| Less administration expenses charged to: | | | |
| Investment income | \$ 418 | | \$ 353 |
| Hospital and Rehabilitation Centre | 100 | | 100 |
| Medical and rehabilitation services | 14,687 | | 11,977 |
| Schedule 2 | 7,939 | | 7,437 |
| | \$23,144 | | \$19,867 |
| Net charged to Statement of Income, Expenses and Unfunded | | | |
| Liability — Schedule 1 Accident Fund | \$67,051 | | \$56,618 |

Workmen's Compensation Board Superannuation Fund
Financial Statements
Year Ended December 31, 1981

Contents

| | |
|--|----|
| Auditor's Opinion | 34 |
| Balance Sheet | 35 |
| Statement of Transactions and Fund Balance | 35 |
| Notes to Financial Statements | 36 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workmen's Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of Workmen's Compensation Board Superannuation Fund as at December 31, 1981 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1981 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
April 30, 1982.

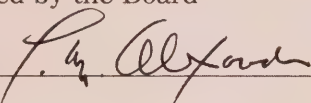
Balance Sheet — Superannuation Fund

December 31, 1981

| ASSETS | 1981 | (\\$000's) | 1980 |
|---------------------------|------------------|------------|-----------------|
| Cash | \$ 536 | | \$ 12 |
| Investments (Note 3) | 105,094 | | 93,562 |
| Accrued investment income | 1,582 | | 1,285 |
| Accounts receivable | 137 | | 76 |
| | <u>\$107,349</u> | | <u>\$94,935</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 384 | | \$ 150 |
| Fund balance | 106,965 | | 94,785 |
| | <u>\$107,349</u> | | <u>\$94,935</u> |

Approved by the Board

Chairman




Vice-Chairman of Administration and General Manager

Statement of Transactions and Fund Balance — Superannuation Fund

Year Ended December 31, 1981

| CONTRIBUTIONS RECEIVED FROM | 1981 | (\\$000's) | 1980 |
|--|------------------|------------|------------------|
| The Board and the Safety Associations | \$ 3,334 | | \$ 2,769 |
| The employees of the Board and the Safety Associations | 3,063 | | 2,592 |
| | <u>\$ 6,397</u> | | <u>\$ 5,361</u> |
| INVESTMENT INCOME | \$ 9,558 | | \$ 8,291 |
| | <u>\$ 15,955</u> | | <u>\$ 13,652</u> |
| DEDUCT | | | |
| Pensions paid | \$ 3,012 | | \$ 2,451 |
| Contributions plus interest refunded to staff | 763 | | 422 |
| | <u>\$ 3,775</u> | | <u>\$ 2,873</u> |
| Increase in the fund for the year | \$ 12,180 | | \$ 10,779 |
| Fund balance, beginning of year | 94,785 | | 84,006 |
| Fund balance, end of year | <u>\$106,965</u> | | <u>\$ 94,785</u> |

Notes to the Financial Statements December 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for equities and short-term paper.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

- (a) Investments — at the rates of exchange prevailing when the investments were acquired.
- (b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workmen's Compensation Board and certain of the provincial safety associations.

3. INVESTMENTS

| | | 1981 | ((\$000's)) | 1980 |
|------------|-----------|--------------|-------------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Bonds | \$ 50,951 | \$36,887 | \$53,924 | \$43,644 |
| Mortgages | 13,837 | 13,837 | 14,811 | 14,811 |
| Equities | 26,770 | 33,974 | 20,678 | 31,111 |
| | \$ 91,558 | \$84,698 | \$89,413 | \$89,566 |
| Short-term | 13,536 | 13,536 | 4,149 | 4,149 |
| | \$105,094 | \$98,234 | \$93,562 | \$93,715 |

4. ACTUARIAL VALUATION

The most recent triennial actuarial valuation as at December 31, 1980 determined that the Fund was in a surplus position.

5. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

Workmen's Compensation Board offices are located throughout Ontario.

| | |
|---|--|
| Toronto — Head Office (416) 965-8722 | 2 Bloor Street East Toronto, Ont. M4W 3C3 |
| Metro Toronto Information Centre (416) 965-8864 | 1382 St. Clair Avenue West Toronto, Ont. M6E 1C6 |
| Hamilton (416) 523-1800 | 100 Main Street East Room 108 — 110 Hamilton, Ont. L8N 3W6 |
| Kingston (613) 544-9682 | 1055 Princess Street Room 303 Kingston, Ont. K7L 5T3 |
| Kitchener/Waterloo (519) 576-4130 | 153 Frederick Street Kitchener, Ont. N2H 2M1 |
| London Regional Office (519) 663-2331 | 200 Queens Avenue London, Ont. N6A 1J3 |
| North Bay (705) 472-5200 | 189 Wyld Street North Bay, Ont. P1B 1Z2 |
| Ottawa (613) 238-7851 | 350 Sparks Street Room 206 Ottawa, Ont. K1R 7S8 |

| | |
|--|--|
| Sault Ste. Marie (705) 942-3002 | 421 Bay Street 3rd Floor Sault Ste. Marie, Ont. P6A 1X3 |
| St. Catharines (416) 937-2020 | 282 Linwell Road Room 120 St. Catharines, Ont. L2N 6N5 |
| Sudbury Regional Office (705) 675-9301 | 30 Cedar Street Sudbury, Ont. P3E 1A4 |
| Thunder Bay (807) 623-4545 | 1265 Arthur Street East Room 101 Thunder Bay, Ont. P7E 6E7 |
| Timmins (705) 267-6427 | 273 Third Avenue Room 204 Timmins, Ont. P4N 1E2 |
| Windsor (519) 256-3461 | 787 Ouellette Avenue Windsor, Ont. N9A 4J4 |

Long-distance callers may contact WCB offices free of charge. For toll-free numbers, consult your local telephone directory.



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

Annual Report 1982





**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

On Our Cover

Marg Latham, a civil engineer,
is a construction superintendent
for Harry Todd Construction in
Toronto.

Annual Report 1982

The Honourable John B. Aird,
O.C., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is
pleased to submit its annual report of
operations for 1982.

The Honourable Lincoln M. Alexander,
P.C., Q.C.,
Chairman

Contents

| | |
|-----------------------|----|
| Summary of Operations | 3 |
| Chairman's Message | 5 |
| The Year in Review | 7 |
| Financial Statements | 21 |

Behind the facts and figures of this organization are the people who make it work. Featured in this Annual Report are a few of the individuals who perform key services in our Workers' Compensation Board offices province-wide. We are pleased to introduce them and hope they will provide you with insight into some of our many services to the working men and women of Ontario. See pages 6, 10, 12, 14 and 16.



Workers' Compensation Board — Summary of Operations

Year Ended December 31, 1982

| | 1982 (\$000's) | 1981 |
|--|----------------|---------------|
| Payroll upon which assessment revenue was based | *\$40,800,000 | *\$37,000,000 |
| Incidents reported as work injuries | 349,747 | 415,044 |
| SCHEDULE 1 OF THE ACT | | |
| SCHEDULE 1 BENEFITS PAID AND AWARDED | | |
| Medical aid paid | \$ 89,896 | \$ 85,965 |
| Compensation paid | 356,418 | 288,933 |
| Rehabilitation paid | 16,750 | 13,341 |
| Pensions awarded | 230,313 | 170,055 |
| | \$ 693,377 | \$ 558,294 |
| SILICOSIS BENEFITS | | |
| Medical aid paid | \$ 109 | \$ 95 |
| Compensation paid | 46 | 190 |
| Rehabilitation paid | — | — |
| Pensions awarded | 850 | 1,473 |
| | \$ 1,005 | \$ 1,758 |
| Total | \$ 694,382 | \$ 560,052 |
| LEGISLATIVE AMENDMENTS | | |
| Total payments and awards under Schedule 1 of the Act | \$ 1,029,382 | \$ 920,052 |
| SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | |
| SCHEDULE 2 BENEFITS PAID | | |
| Medical aid paid | \$ 9,837 | \$ 9,189 |
| Compensation paid | 23,204 | 18,412 |
| Rehabilitation paid | 557 | 524 |
| Pensions paid | 22,027 | 20,452 |
| | \$ 55,625 | \$ 48,577 |
| Compensation paid directly by Schedule 2 employers | \$ 18,821 | \$ 15,371 |
| Total benefits paid under Schedule 2 | \$ 74,446 | \$ 63,948 |
| TOTAL BENEFITS PAID AND AWARDED — SCHEDULES 1 AND 2 | | |
| Total awards and payments (exclusive of legislative increase above) | \$ 768,828 | \$ 624,000 |
| Legislative increases | \$ 335,000 | \$ 360,000 |
| Total awards, payments and legislative increases | \$ 1,103,828 | \$ 984,000 |

*Estimated adjusted payroll

Elizabeth Munding, a registered nurse, was unable to return to work after a serious back injury on the job and receives a permanent disability pension from the Board. With encouragement and financial assistance from the Board, she is now self-employed as an electrologist, working out of the renovated basement of her Newmarket home.



Message from the Chairman



Lincoln M. Alexander
Chairman

As Chairman of the Workers' Compensation Board of Ontario, I am proud to review the major achievements of this organization in 1982, not the least of which was assuming a new name and embracing a new corporate signature.

The year was one of challenge and promise at the Board. Highlights include the expeditious and successful implementation of benefit level increases, enacted on December 21, 1982 by the Ontario Legislature; reorganization of the Board's large Claims Services Division; our continued success in finding jobs for rehabilitated workers in the midst of a nationwide recession; and the Board's active leadership, through nine provincial safety associations, of occupational health and safety education in the province.

Reorganization of the Claims Services Division was particularly important and was designed to facilitate an ever-speedier process of claims adjudication. As a result of this reorganization, injured workers are now accorded more direct telephone access to claims adjudicators. Claims are now grouped by injury so that most claims will stay with the original adjudicator throughout processing. Research and development of adjudication policies and procedures have been consolidated within the Claims Review Branch.

The spectre of unemployment throughout 1982 haunted the Board's Vocational Rehabilitation Division, as staff worked to find jobs for rehabilitated workers in an attenuated market. Despite a significant increase in the number of new referrals — up 17 per cent from 1981 — and unprecedented levels of unemployment across the nation, division staff were instrumental in rehabilitating 3,482 workers, fully 94 per cent of the number rehabilitated in 1981, which is an important accomplishment.

Following recommendations on the role of the provincial safety associations (in a report by Dr. J.F. Mustard, Chairman of the Minister of Labour's Advisory Committee on Occupational Health and Safety), the Board updated its policy in June, 1982, making it responsible for the direction and control of all occupational health and safety education in the province coming within the scope of The Workers' Compensation Act.

In October, 1982, the Board took a major step towards this goal with the

commencement of a two-year program to implement the policy. A new structure uniting the Board and the safety associations, and new practices and procedures will be established, within which the safety associations and the Board can work together to make an even greater contribution to occupational health and safety in the province.

No list of the year's major achievements is complete without mention of the Board's initiatives in providing services in the French language, as well as our endorsement of the new Ontario Human Rights Code.

The Ontario government has declared its intention to provide "steady and balanced programs" of government service in the French language. To this end, the Workers' Compensation Board formed a French language co-ordinating committee, charged with investigating ways to ensure a full range of services in French. In 1982, this group completed a preliminary study of the Board's computer system in order to determine the best way of proceeding, and our operating divisions began examining the impact on their responsibilities.

As a result of the proclamation of the new Ontario Human Rights Code on June 15, 1982, the Board's own Equal Opportunity Program became the Human Rights and Equal Opportunity Program. By applying this Code to existing policies, program staff, among other things, urged changes to the Board's application for employment form. A new employment policy was adopted which states, in part, "...all handicapped applicants and employees will be given equal employment opportunities and will not be disqualified provided that the handicap does not prevent the applicant or employee from performing the basic requirements of the job."

These refinements in the operations of your Workers' Compensation Board are mentioned here not just as a record of one year's achievements. Rather, they illustrate our continued flexibility and utmost concern for those we serve — the very basis on which the future of Ontario's workers' compensation system depends.

Lincoln M. Alexander
Chairman

Willard Shier of Toronto, a truck driver, became a quadriplegic as a result of an on-the-job accident and receives a permanent disability pension from the Board. His power wheelchair and the lift for his van, electronic doors and other necessary devices were provided by the Board. Special controls will soon allow him to drive the van himself, further contributing to his mobility.

Profile

BRUNO BERTUCCI Claims Adjudicator



Bruno Bertucci, one of 160 adjudicators in the Board's Continuing Disability Claims Section, credits his capability as a claims adjudicator partly to his bachelor of science degree and partly to his fluency in Italian and French. "Having studied anatomy and physiology," he says, "I can understand more readily the medical reports we have to read daily. And my languages allow me to communicate with various workers and employers in the language with which they are most comfortable."

An ability to understand the medical reports of injured workers submitted by their physicians is just one of the skills needed by a claims adjudicator—that, the ability to communicate with a variety of people and a penchant for hard work.

Reorganization of the Board's Claims Services Division in 1982 was aimed at providing direct telephone access to claims adjudicators. This was achieved by realigning claims staff and resulted in reducing the caseload for adjudicators to about 225 claims (from 260) at any one time.

That still amounts to a substantial work load, particularly when, as Bruno explains, "a day's work is never quite done. We go home thinking about the claims we are dealing with and what we are going to do the next day to reach a decision."

Bruno joined the Board in Toronto as a claims adjudicator three years ago, after university and brief employment elsewhere. His training at that time included 10 weeks of combined classroom study into claims policies and procedures as well as practical,

fully-monitored work exposure. This was followed by a full year in the Initial Adjudication Claims Section, where new lost-time claims are processed.

Once in the Continuing Disability Claims Section, Bruno was confronted with the adjudicator's most difficult task—namely, working towards issuing injured workers their cheques regularly and as quickly as possible. "In complex claims, it takes time to pull together all the information necessary to make a recommendation about whether someone is off work because of a compensable condition and not because of some other condition," says Bruno. That decision is arrived at only after careful evaluation of all the facts.

Each claim to the Board for compensation is decided on its own merit, and on the basis of The Workers' Compensation Act and established Board policies. In Bruno's view, this is a fair system, but it makes it no less easy for him to have to tell a worker that a payment will be late or, in some cases, that he or she is not entitled to compensation. "Although unavoidable, that has to be the most unpleasant part of my job," he admits. Luckily, it is counterbalanced by the satisfaction of authorizing payment to an injured worker for time lost from work because of a work-related disability.

Bruno looks at the role of the claims adjudicator as the heart of the Board's many services. "It's a unique job and I'm dedicated to it," he says. "If people sometimes think it is taking too long for their claim to be processed, I would like to assure them that it isn't because claims adjudicators are not conscientious."

The Year in Review

On December 21, 1982, the Workers' Compensation Board of Ontario, and the Act which constitutes its mandate to administer the province's compensation system, were formally renamed the *Workers' Compensation Board* and The *Workers' Compensation Act* respectively, to better reflect the Board's service to both the working men and women of this province.

Such a change is undeniably important; but more important is the Board's continued provision of a fair, equitable and responsive system of compensation to Ontario's four million workers and more than 160,000 employers.

In discharging this responsibility, the Workers' Compensation Board provides the province with three fundamental services: first, adjudicating claims for work-related injuries and occupational diseases and compensating workers for time off work and for permanent disability; second, furnishing injured workers with comprehensive medical and vocational rehabilitation services to help them return to a healthy life and gainful employment; and third, paying for these services through the collection of funds from the province's employers.

The Board is organized to carry out these tasks in much the same way as any large organization and, accordingly, its success depends on the hard work and dedication of its staff province-wide.

CORPORATE BOARD

Presiding over the activities of the Workers' Compensation Board is the *Corporate Board*. Responsible for all policies and programs, it consists of the Chairman, Lincoln M. Alexander, who is the chief executive officer; the Vice-Chairman of Administration and General Manager, Alan G. MacDonald, who is the chief administrative officer; the Vice-Chairman of Appeals, Thomas D. Warrington; and, at present, two Commissioners of Appeals.

During 1982, the Corporate Board dealt with a wide variety of administrative and policy matters, as well as issues raised by outside groups and, on several occasions, met with representatives of those groups and with the Ministry of Labour.

The actual day-to-day running of the Board's programs is the responsibility of

the *Management Committee*, which is chaired by and reports to the Corporate Board through the Vice-Chairman of Administration and General Manager. Members of this committee include the Senior Executive Director and Assistant General Manager, William R. Kerr, the executive directors of the Board's eight divisions, the executive co-ordinators of Regional Operations & Area Offices and the Policy Planning Secretariat, and the Board's Secretary.

POLICY PLANNING AND DEVELOPMENT

Reporting directly to the Vice-Chairman of Administration and General Manager is a new administrative group known as the *Policy Planning Secretariat*. At present, it directs the Board's program planning and project analyses activities as well as related statistical work. The Secretariat, which was established in 1982, is gradually becoming involved in policy research, planning and development for the Board.

Also reporting to the Vice-Chairman of Administration and General Manager is the *Human Rights and Equal Opportunity Program* which, among other things, encourages women at the Board to move into management positions. (In 1982, women held 39 per cent of the Board's management and senior administrative positions.)

As far as an injured worker is concerned, the involvement of the Workers' Compensation Board begins when his or her employer, physician, union, treating agency, or the individual worker files a claim for compensation for a work-related injury or disease.

Claims are processed by the Board's *Claims Services Division* in Toronto (and the regional offices in London and Sudbury), which sees to it that injured workers receive all the benefits to which they are entitled under The Workers' Compensation Act.

NEW CLAIMS PROVINCE-WIDE

In 1982, new claims across the province totalled 349,747, a decrease of 15.7 per cent from the 415,044 new claims reported in 1981. Of total claims, 42.5 per cent (148,713) were accepted as lost-time

few permanent disability pensions awarded to workers during 1982 numbered 17,947, compared with 15,403 the previous year. This figure includes pensions for life as well as lump sum, provisional awards, and awards increased after re-evaluation. In addition, 3,495 temporary supplementary awards were made. The number of injured workers' active pensions on file at the end of the year was 75,690.

VOLUME AND TYPE OF CLAIMS ALLOWED

% Change 1982-1981

Total claims -15.7%

Allowed lost-time claims -9.0%

Allowed no lost-time claims -17.3%

Denied claims -38.1%

Other -67.8%

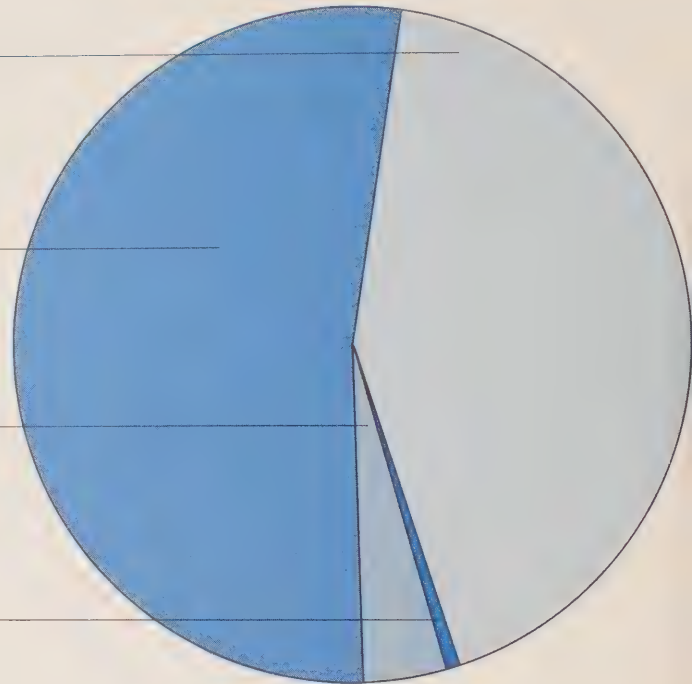
Allowed lost-time claims
148,713 (42.5%)

Allowed no lost-time claims
183,990 (52.6%)

Denied claims
15,842 (4.5%)

Other (including
withdrawn or
pending claims)
1,202 (0.4%)

1982 (with % of total claims
reported-349,747 = 100%)



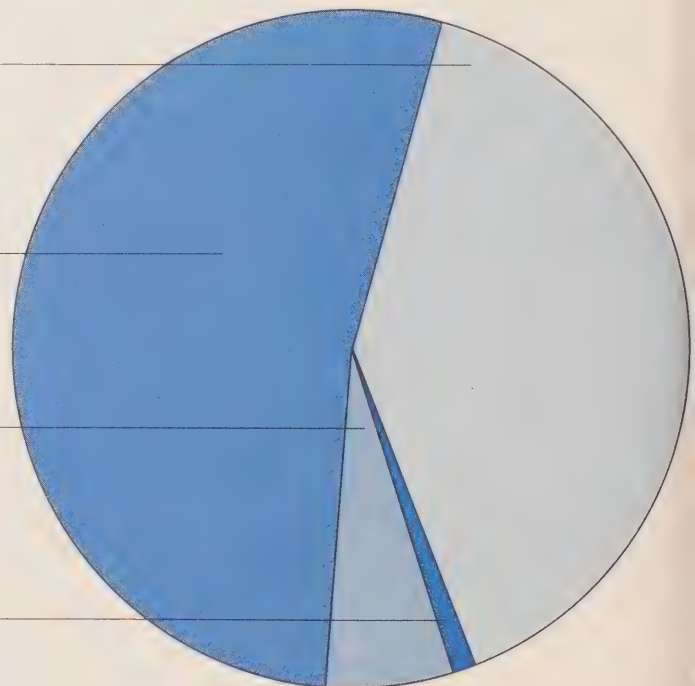
1981 (with % of total claims
reported-415,044 = 100%)

Allowed lost-time claims
163,366 (39.4%)

Allowed no lost-time claims
222,374 (53.6%)

Denied claims
25,582 (6.1%)

Other (including
withdrawn or
pending claims)
3,722 (0.9%)



claims (involving time off work and compensation payments). Another 52.6 per cent (183,990) of claims were accepted as no lost-time claims (for accidents which necessitated medical treatment, but no time off work beyond the day of the accident). Allowed fatal claims by year of death in 1982 totalled 203.

Claims are examined by specially trained claims adjudicators who, on the basis of The Workers' Compensation Act and Board policies and guidelines, make the initial decision as to the worker's entitlement to compensation.

Basically, the Board compensates injured workers in two specific ways. First, it provides benefits to workers who are temporarily or permanently disabled by a work-related injury or occupational disease. Second, the Board pays medical aid for injured workers, as necessitated by the compensable injury or disability. Medical aid expenses may include such things as treatment by a physician, chiropractor, physiotherapist or dentist; prescribed medication; a necessary appliance or prosthetic device.

BENEFIT LEVELS INCREASED

Benefit levels are set by the Ontario Legislature, but it is up to the Board, specifically Claims Services and Medical Services, to administer any legislated changes. On December 21, 1982, a legislative amendment to The Workers' Compensation Act increased benefit levels to injured workers, surviving spouses and dependants, effective July 1, 1982. Among other things, compensation for permanent disability was increased by 9 per cent and compensation for temporary total disability was raised to a maximum of \$349.04 per week. Processing of these adjustments for the more than 100,000 claims affected began immediately.

Any claim in which an adjudicator recommends denial or limitation of entitlement, and any objections to decisions, are automatically reviewed by the Claims Review Branch. In 1982, a total of 21,923 claims were reviewed. A Review Branch specialist scrutinizes the claim to ensure the adjudicator has obtained all pertinent information and considers the adjudicator's written reasons and policy references for the decision.

The adjudicator's recommendation was confirmed in 61.6 per cent of claims and reversed in 4.2 per cent. The claim was returned for alternate action or directed for further review in 34.2 per cent of cases. The majority of claims in this final group, however, are ultimately accepted.

This is only the first step in a comprehensive system of claims re-examination which ensures fair and equitable treatment. In the event that employers or workers believe they have been treated unfairly by the Board, they have recourse to the Board's appeals process.

TWO-LEVEL APPEALS PROCESS

The Vice-Chairman of Appeals supervises the operation of the *Appeals System*, which hears and decides appeals and is organizationally separate from other Board activities. There are two levels to the appeals process and concerned parties can request an appeal hearing at either level. At the first level, an appeals adjudicator reviews the claim and may decide the appeal on the basis of the information on file, call a hearing before an appeals adjudicator, or refer the appeal to the second step of the system, which is a hearing by an appeal board of three commissioners.

In 1982, the number of appeals heard by appeals adjudicators and appeal boards increased. Appeals adjudicators held 2,960 hearings, 13.5 per cent more than in 1981. Appeal boards held 989 hearings, an increase of 2.6 per cent from the previous year. Appeal hearings are held at the Board's head office in Toronto and in seven other locations throughout the province — Thunder Bay, Sault Ste. Marie, Sudbury, Timmins, Windsor, London and Ottawa.

Injured workers may be represented at hearings by, among others, trade union representatives or the Board's workers' advisers. Workers' advisers, who on request will assist workers or their dependants in preparing an appeal, are independent of the entire adjudicative and appeals function and have complete freedom of action in representing workers' interests. They may also advise employers, but do not represent them at hearings.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and medical aid costs transferred to SIEF in 1982 totalled \$107,279,326 (up from \$77,924,181 in 1981).

During 1982, appeals adjudicators allowed or partially allowed 53.0 per cent of appeals decided. Appeal boards allowed or partially allowed 36.3 per cent of appeals decided.

The Claims Administrative Services Branch offers assistance to clients in their first language whenever possible. In 1982, branch personnel at head office and the Toronto Claims Information Centre included 40 people fluent in a variety of languages, such as Italian, French and Portuguese. An additional 127 multilingual staff throughout head office may be called upon to interpret as required.

Profile

DR. AMMINI
MALAYIL
Medical Adviser



When Dr. Ammini Malayil joined the Workers' Compensation Board in 1971, she looked on her job as an opportunity to practice medicine while still having time for her young family. Her family has grown up since then, but her work as a medical adviser to the Claims Services Division still gives her the same satisfaction as when she first came to the Board.

"I'm most satisfied when I see that an injured worker has received the treatment he or she needs and when I am able to assist the Adjudication Branch in making the best decision concerning that worker's claim," says Dr. Malayil.

As one of 13 medical advisers to the Board's claims adjudicators at the Toronto head office, Dr. Malayil has two primary responsibilities. First, she advises adjudicators on the medical aspect of individual claims, particularly if they have problems in evaluating outside physicians' reports. This assistance is essential to a claims adjudicator, who must determine a worker's entitlement to compensation on the basis of complex medical information.

Second, she is involved in treatment control; that is, if a worker's disability is prolonged, the claims adjudicator will send the file to her. "If I am concerned about the treatment and the length of disability," she says, "I may ask the injured worker to come in for an assessment."

Sixteen claims adjudicators and their three team co-ordinators depend on Dr. Malayil for advice in these matters. For her, that means reviewing upwards of 50 claim files a day as well as performing clinical assessments of injured workers.



"Outside physicians sometimes lose sight of the fact that the Board handles about 350,000 new claims a year," she says. "I might see 50 files a day — that's a lot of injured workers' names to keep in mind."

One thing every injured worker who deals with the Board can be sure of is the quality of treatment recommended by Board physicians. "I believe we arrange the best possible treatment for injured workers," concludes Dr. Malayil. "We have access to top medical specialists in many fields — specialists to whom injured workers themselves might not have access."

ACCESS TO CLAIM FILES

To facilitate the preparation of an appeal, the Board allows injured workers or their representatives to receive photocopies of their claim files when a disputable issue exists. A disputable issue is an adverse decision made by a review group within one of the operating divisions of the Board, which has been communicated in writing to all parties concerned.

All material in the claim file is accessible except medical information which the Board might consider potentially harmful to the worker if disclosed directly. Such information is sent to the worker's physician, to be released to the worker at the physician's discretion, and the worker or worker's representative is so advised. By the end of 1982, which was the first complete year of full access to claim files, the Board found it necessary to invoke this safeguard in only 17 cases out of 7,371 requests for access to files — less than 0.25 per cent of all requests.

Employers have the right of access to only those records which the Board deems relevant to the issue in dispute. However, in 87 per cent of requests in 1982, the employer was granted full access to the file.

The Workers' Compensation Board's responsibilities do not end with adjudicating claims and paying compensation and medical aid expenses for injured workers. The Medical Services and Vocational Rehabilitation Divisions strive to return the injured worker to a healthy, productive and satisfying life, both at home and in the workplace.

MEDICAL CARE FOR INJURED WORKERS

Through the *Medical Services Division*, the Board monitors medical care and advises on treatment of injured workers, assesses and pays medical aid accounts and related expenses, and provides medical opinions in the adjudication of individual claims.

Medical Services (in co-operation with Claims Services) evaluates residual permanent impairment in claims for pensions and supervises all facilities and programs for medical rehabilitation at the Board's Hospital and Rehabilitation Centre

(H&RC) in Downsview (a suburb of Toronto).

Division staff identify industrial disease trends, determine cause-effect relationships and participate in the development of appropriate claims adjudication guidelines. Often in conjunction with independent researchers, staff are also involved in the numerous research projects of the division's Medical Branch.

MAJOR RESEARCH IN PROGRESS

Among major research projects under way in 1982, a number are worth special mention. The results of a back research program were to be presented at a meeting of the American Association of Orthopaedic Surgeons in early 1983. An important manuscript on the use of transcutaneous electrical nerve stimulators in the treatment of chronic pain was also completed. Investigation continues into the use of biofeedback in the treatment of back pain and migraine headaches, and into arachnoiditis (a disease of the brain and spinal cord). Other studies looked into major amputations as a result of electrical burns and the blood supply in cases of limb replantation.

Much of the division's research is based on the medical and rehabilitation care given to injured workers at the 522-bed Hospital and Rehabilitation Centre. Most patients at the Centre undertake a full-treatment, tailor-made program, including daily sessions in occupational therapy, recreation, physiotherapy and remedial gymnastics. Typically, a patient's treatment team includes a physician, physiotherapist, occupational therapist, remedial gymnast and recreational therapist. Vocational rehabilitation and psychological service counsellors also become involved in certain cases.

A number of clinics offer special services to injured workers. These include the Head Injury and Neurology Clinic, Amputee Clinic, General Trauma Clinic, Back Assessment and Rehabilitation Clinic, Hand Clinic and the Psychological Social Evaluation Module. In 1982, the majority of these were used more frequently than in the preceding year. For example, the number of injured workers using the Hand Clinic grew from 711 in 1981 to 793 in 1982 — an increase of 11.5 per cent.

The Medical Aid Branch paid for a total of 2,199,143 individual service items with respect to the treatment of injured workers in 1982.

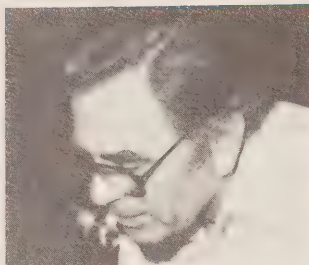
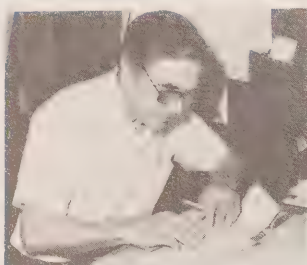
A total of 24 research projects were under way at the Hospital and Rehabilitation Centre in 1982.

Physicians in the Medical Branch reviewed 134,478 claim files in 1982, up 20.5 per cent from 111,637 in 1981. The number of medical examinations of injured workers increased by 24.5 per cent, to 2,553 from 2,051 in 1981.

Profile

ALEX FRICKLETON

Supervisor,
Remedial Gym



Every weekday at the Board's Hospital and Rehabilitation Centre (H&RC) in Downsview, injured workers can be found bending, stretching or lifting weights in one of three gymnasiums. During the summer months, the hospital grounds themselves become a playing field for the rehabilitation of injured workers.

Directing these exercise programs at any given time is the responsibility of the Board's 14 remedial gymnasts; and supervising the gymnasts is a sprightly Scot named Alex Frickleton, who has been with the Board since 1969.

A remedial gymnast is "a specialist in exercise as it relates to disability," explains Alex. The scope of a remedial gymnast's work extends from the hospital bed through the rehabilitation process to occupational retraining. "We are prepared to give injured workers exercise programs which encompass everything from blinking (in the case of paralysis of the facial nerve) to finger-bending to exercises which facilitate the worker's return to heavy labour."

Much of the remedial gymnast's work at H&RC involves patients suffering from back injuries, but gymnasts also work with the Centre's head and hand injury clinics and, in Alex's case, the Pain Identification and Measurement Module, which is seeking ways to reduce pain.

Remedial gymnasts are also concerned with the attitudes of both injured and healthy workers to fitness as an aspect of job safety. It is possible, for example, for workers to avoid certain back problems if they remain in good physical condition. What Alex calls an injured worker's "exercise lifestyle" will also influence the efficacy of his or her recovery from an injury.

Alex came to remedial gymnastics by way of World War II. Involved in physical education before the war, he was recruited for commando training with the Armed Services Physical Training Corps. The Corps was also responsible for rehabilitation centres (or convalescent depots, as they were called) for servicemen injured during the war. It was through



helping disabled servicemen that Alex became interested in remedial gymnastics.

Training other remedial gymnasts occupies much of Alex's time. He is concerned that, at present, remedial gymnastics training in Canada takes second place to the more popular kinesiology and physiotherapy.

Alex has been working with some of Ontario's colleges and universities to encourage the development of programs in remedial gymnastics. Already, the Board participates in the co-operative program at the University of Waterloo, through which a kinesiology student spends a semester working with the remedial gymnasts at H&RC.

If a student considering a career in remedial gymnastics were to ask Alex what he likes most about his job, he would answer quite simply: "It is one discipline in which the patient's participation is most important. It is only by the patient becoming responsible for him or herself that rehabilitation can be considered complete. Helping patients to realize and accept this is a measure of a successful intervention by the remedial gymnast."

**LOST-TIME CLAIMS
BY NATURE OF
INJURY/ILLNESS,
1982**

| OCCUPATIONAL INJURY | CLAIMS | % OF TOTAL CLAIMS |
|-------------------------------------|---------|----------------------|
| Sprains, strains | 43,976 | 29.6 |
| Cuts, lacerations, open wounds | 17,269 | 11.6 |
| Contusions—intact skin | 15,851 | 10.7 |
| Fractures | 7,431 | 5.0 |
| Scratches, abrasions | 4,657 | 3.2 |
| Burns, scalds (heat) | 3,494 | 2.4 |
| Hernia, rupture | 1,730 | 1.2 |
| Multiple injuries | 948 | 0.6 |
| Amputation | 727 | 0.5 |
| OCCUPATIONAL ILLNESS | | |
| Hearing loss or impairment | 1,332 | 0.9 |
| Chemical burns | 999 | 0.7 |
| Ultraviolet rays, welders' flash | 774 | 0.5 |
| Fume toxicity, smoke inhalation | 672 | 0.5 |
| Dermatitis | 656 | 0.4 |
| Tenosynovitis | 535 | 0.4 |
| Other Injuries and Illnesses | 47,662 | 31.8 |
| TOTAL | 148,713 | 100.0 |

**LOST-TIME CLAIMS
BY PART OF BODY
INJURED, 1982**

| PART OF BODY | CLAIMS | % OF TOTAL CLAIMS |
|----------------|---------|----------------------|
| Back | 41,102 | 27.6 |
| Finger(s) | 17,303 | 11.6 |
| Multiple parts | 9,822 | 6.6 |
| Lower leg | 9,182 | 6.2 |
| Ankle | 6,600 | 4.4 |
| Hand | 6,124 | 4.2 |
| Eye(s) | 5,909 | 4.0 |
| Forearm | 4,538 | 3.1 |
| Leg, multiple | 4,192 | 2.8 |
| Shoulder(s) | 4,172 | 2.8 |
| Upper arm | 4,031 | 2.7 |
| Knee | 3,966 | 2.6 |
| Wrist | 3,837 | 2.6 |
| Abdomen | 3,772 | 2.5 |
| Other | 24,163 | 16.3 |
| TOTAL | 148,713 | 100.0 |

Profile

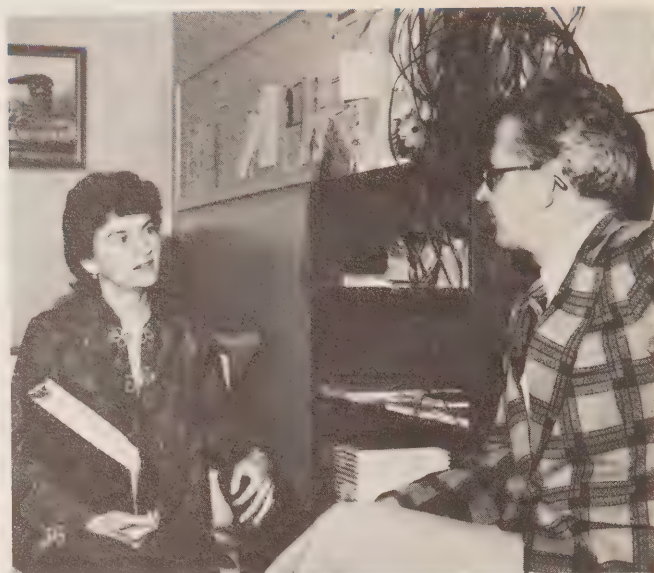
CAROL BRUNETTE
MANARIN
Vocational
Rehabilitation
Counsellor



Carol Brunette Manarin is responsible for assisting eligible injured workers in finding jobs if they are unable to return to their original employment — not a simple task in Sudbury, where mining and other industries are only just beginning to pull out of a recession.

But Carol is particularly suited to her role as a vocational rehabilitation counsellor in the Board's Sudbury Regional Office, where she has worked since 1980. She is a native of the region and speaks French fluently, which is a big plus with the large French-speaking community in Sudbury. With a bachelor of arts degree in social communication and two years of study in kinesiology (the study of the human body in motion), she also knows how to deal with people and what to expect from a worker's injury.

"I spend the first part of most days interviewing injured workers and my training in kinesiology helps me to understand what is happening to them," says Carol. "In the afternoon, I may contact employers about possible job opportunities, colleges about courses for these individuals, people at the Canada Employment and Immigration Centre or other local agencies. I may also discuss injured workers' files with the claims adjudicators, medical advisers, medical aid personnel and physicians involved in their treatment and rehabilitation. A background in communicating with people helps."



Carol, one of 127 vocational rehabilitation counsellors in Board offices across the province, has a large caseload of injured workers at any one time. If an injured worker is eligible for vocational rehabilitation assistance and is unable to return to previous employment as a result of the injury, she will visit the worker at his or her home to explain the Board's programs and to provide supportive counselling when needed.

"It is important to help the worker arrive at a realistic employment goal as soon as possible after the injury, and to identify each of the tasks required to reach that goal," she explains.

Carol often deals with injured workers at a low period in their lives. When confronted with their anxiety and frustration at being without jobs or the skills needed to move on to new work, she tries to stay objective. "The key is not to take their frustration personally," she explains. "You just have to be firm and yet fair. I think you have to respond that way if you are going to work in one of the helping professions."

In addition, she will arrange evaluations to assist in determining a worker's skills, abilities, interests and, where applicable, physical capabilities. She may contact former employers, including the accident employer, as well as prospective employers on the worker's behalf. She may also arrange for a period of training, especially when acquiring a specific skill will enhance the worker's employability.

Clearly, much of Carol's work is carried on outside the office — travelling to various communities surrounding Sudbury and talking with people from all walks of life. It is precisely this diversity that appeals most to Carol about her work as a vocational rehabilitation counsellor in the Sudbury office: "I enjoy it because there is such a variety of work to be done every day and because I feel I am always learning something new, while helping others."

INCREASED ADMISSIONS TO H&RC

The average stay for patients in the full-treatment program at the Board's Hospital and Rehabilitation Centre increased to 20.0 days, from 18.8 days in 1981.

A total of 2,451 training programs for injured workers were commenced in 1982, a 5.7 per cent increase over the 2,319 programs in 1981.

Rehabilitation staff throughout Ontario were instrumental in rehabilitating 3,482 injured workers in 1982. Of these, 2,705 were returned to work and an additional 777, who will not be returning to employment, were assisted in achieving financial self-sufficiency.

The number of patients admitted to the Centre has risen steadily in recent years (an increase of 23.7 per cent from 1978 to 1982). The year 1982 saw 11,690 admissions, compared with 11,253 the year before, or a 3.9 per cent increase. Of the 6,059 patients who completed the full-treatment program, 4,651 were fit to return to work, a success rate of 76.7 per cent in these complicated cases.

A special initiative at the Hospital and Rehabilitation Centre in 1982 was the development of a program to train industry personnel in presenting the Board's Industrial Back Education Program to co-workers. Throughout the year, staff from the Centre and the Board's Communications Division led 20 of these training programs and gave a special presentation in Thunder Bay, for a total of 365 people trained. Apart from leader training, staff presented the Industrial Back Education Program itself to 4,572 employees in 42 companies across Ontario in 1982.

Patients at the Centre continue to benefit from the use of transcutaneous electrical nerve stimulator (TENS) units to control chronic pain in certain types of cases. There was a 4 per cent increase in the number of units prescribed in 1982, to 833 from 801 in 1981. An analysis of a large group of former patients who used TENS units was completed during the year and demonstrates conclusively that the unit is capable of suppressing and/or reducing chronic pain.

REHABILITATED WORKERS RETURN TO WORK

The division sponsored 351 "English as a Second Language" courses for injured workers in 1982, enabling them to better compete in the job market.

Well before an injured worker's medical rehabilitation is complete, the Board begins the process of helping him or her return to gainful employment and a place in the community. Through the efforts of rehabilitation counsellors, various specialists and administrative staff in the Vocational Rehabilitation Division, as well as vocational rehabilitation personnel in the Board's two regional offices, injured workers are assisted in preparing for and actually returning to the work force.

Since no two clients' needs are identical, the Board draws upon a wide range of services in order to provide each

injured worker with a rehabilitation program best suited to his or her needs. Services include several forms of counselling (supportive, vocational, employment, financial and social) and arranging a variety of assessments of a worker's vocational interests, aptitude and capabilities. Rehabilitation staff assist in job searches, arrange academic, skill or on-the-job training and identify job opportunities while promoting the hiring of rehabilitated workers.

The unemployment situation in 1982 complicated the Board's efforts to secure employment for rehabilitated workers. While jobs were scarce, as some companies were forced to reduce or shut down operations, the Board faced increases in the number of referrals for rehabilitation services. There were 5,981 new referrals across the province in 1982, an increase of 17 per cent over 1981. In addition, services were re-opened for 1,675 injured workers.

To assist workers with complex placement needs, the Vocational Rehabilitation Division instituted a specialized placement service in 1982. Counsellors experienced in helping individuals with serious disabilities act as resource people in various occupational groups.

BACKING A COMEBACK

With a new slogan developed by the Communications Division — "Back A Comeback" — and frequent employment blitzes across Ontario, the Board continued a public awareness campaign, encouraging employers to contact the Board with job opportunities for rehabilitated workers. A total of 3,760 job opportunities were secured by division staff in 1982.

Throughout the year, the Board continued to consolidate its services outside Metropolitan Toronto by means of major changes in the organization of its regional operations. On June 1, 1982, all Workers' Compensation Board offices outside Toronto were placed under the direction of the Executive Co-ordinator, *Regional Operations and Area Offices*. This includes offices in Windsor, Kitchener, St. Catharines, Hamilton, Kingston, Ottawa, North Bay, Thunder Bay, and Timmins, as well as an information service office in Sault Ste. Marie and two regional offices in London and Sudbury.

Profile

BILL ALEXANDER Senior Revenue Specialist



Bill Alexander is a senior revenue specialist in the Board's Kitchener Area Office. With two co-workers, he is responsible for Board revenue work concerning employers in four counties surrounding Kitchener—in all, about 20,000 businesses.

That's a lot of territory and it keeps Bill busy. Most of his day is spent in the bustling, ground-floor Kitchener Area Office—just down the street from the famous Kitchener Farmers' Market—fielding questions from employers wanting information on everything from assessment rates to coverage requirements for their particular business.

"Revenue staff are here to help employers," he says. "We explain our method of billing; we register new employers and correctly classify them according to the type of industry they are engaged in, for purposes of determining their assessment rates; and we close employer files when they go out of business.

We also provide statements of account and occasionally get involved in collection activities when employers fall behind in paying their assessments."

One of the benefits to employers of dealing with a revenue specialist in a local Board office is that he or she can easily be reached by telephone or in person. There is no question in Bill's mind that employers prefer it that way: "We are diversified, so employers can get all their revenue questions answered by one person. And if I don't know the answer, at least I know where to go to find it."

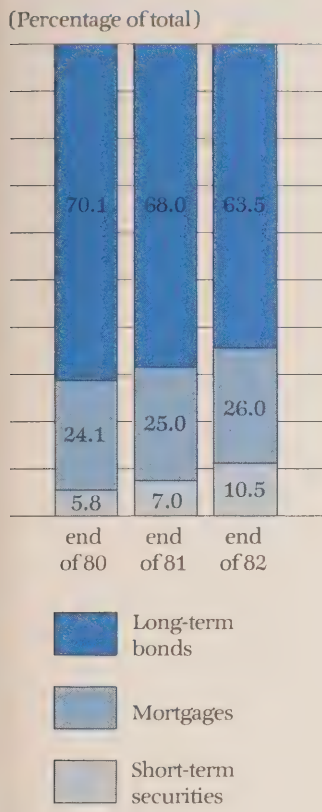
It's this personal contact which appeals most to Bill about his job and about working in a small area office. That, and the opportunity to occasionally speak with local employer groups about the Board—sometimes arranged by one of the safety associations for member employers. For these public speaking engagements, the Kitchener Area Office will often send a team consisting of Bill, a vocational rehabilitation specialist and a claims representative.

The biggest challenge facing him as a revenue specialist is explaining the Board's industry rating system and the principle of collective liability it embodies. "Some people in business don't immediately grasp the concept of collective liability," he says. "They don't see why their assessment rates should rise even though they have had no accidents. I have to explain to them how the cost of accidents is spread over their industry as a whole."

Bill, who has been with the Board since 1969, the year after high school graduation, takes such challenges in stride. "I try to remember that, for employers, workers' compensation is a cost of doing business in Ontario and that these costs are passed on to the consumer."

Not every employer he has dealt with has been satisfied with his decisions. But as Bill concludes, "There should be no complaints that I haven't provided the best personalized service."

CHANGES IN THE ACCIDENT FUND INVESTMENT PORTFOLIO, 1980-1982



A total of 171,231 medical aid payments were processed by the two regional offices in 1982.

During 1982, staff of the Board's 12 area, regional and information service offices conducted 221 seminars and speaking engagements in the community.

REGIONAL OFFICES SERVE COMMUNITY

The Board began the process of decentralizing its claims adjudication service in 1980 by opening regional offices in London and Sudbury. Both offices adjudicate all accident claims originating from their respective regions and provide most related services, including medical and rehabilitation services. (Certain claims functions are still handled at the Toronto head office, including claims for industrial disease and fatal injuries, the establishment of permanent disability awards, pension supplements and dependants' pensions, and claims in the appeals process.)

Of a total of 349,747 new claims reported to the Board province-wide in 1982, 18,888 and 17,145 were reported to the London and Sudbury offices respectively. The two offices processed a total of 77,668 lost-time payments during the same period.

The London and Sudbury offices, in particular, have adopted more efficient work methods as a result of reorganization in 1982. Staff were realigned to take into account heavy caseloads. More efficient computer equipment was installed in both offices to expedite payment of awards. The Sudbury regional office initiated a study to introduce the decentralized authorization of vocational rehabilitation payments (under Section 54 of The Workers' Compensation Act) in both regional offices in 1983. The London office began a pilot project to decentralize the handling of orthotic and prosthetic devices and clothing allowance items, the results of which will be evaluated in 1983.

As in past years, staff of the area and information service offices continued the practice of visiting communities not easily accessible to any of these offices. Visiting counselling services were regularly scheduled in 12 communities province-wide.

ANNUAL ASSESSMENTS FUND SERVICES

The Workers' Compensation Board draws on two primary sources of revenue to fund all of its programs and services. The vast majority of funds come from annual assessments on the province's

employers, while the balance is drawn from revenue-generating investments.

As a result of the investment decisions of the *Financial Services Division* — charged with providing a comprehensive program of financial management for all Board operations — the Board's net investment income rose from \$165.9 million in 1981 to \$170.1 million in 1982. The running yield on the long-term portfolio also continued to improve, rising from 10.63 per cent in 1981 to 10.87 per cent in 1982. At the same time, accident fund investments (valued at amortized cost adjusted for accumulated unamortized net losses) grew to \$1.63 billion from \$1.57 billion in 1981.

In 1982, a 10 per cent increase in the average assessment rate and an increase in the maximum assessable earnings from \$18,500 to \$22,200 per year caused assessments to rise from \$601 million (in 1981) to \$704 million. While the maximum earnings level for computing compensation was raised in December, 1982, retroactive to July 1, 1982, the Board recognized the hardship this might pose to employers and postponed the corresponding increase in the maximum for assessable earnings until January 1, 1984.

The estimated payroll reported by Schedule 1 employers increased to \$40.8 billion in 1982 from \$37 billion in 1981. The number of employers covered under Schedule 1 fell to 160,000 from 161,000 in 1981, representing a decrease of 0.6 per cent.

NEW ASSESSMENT RATES

Looking ahead to the Schedule 1 Accident Fund's liability, the Board's *Actuarial Services* computed new assessment rates for 1983. The Corporate Board in 1982 approved an average increase of 12 per cent for 1983 assessment rates, making \$1.98 the average rate of assessment for every hundred dollars of assessable payroll in 1983 (from \$1.77 in 1982).

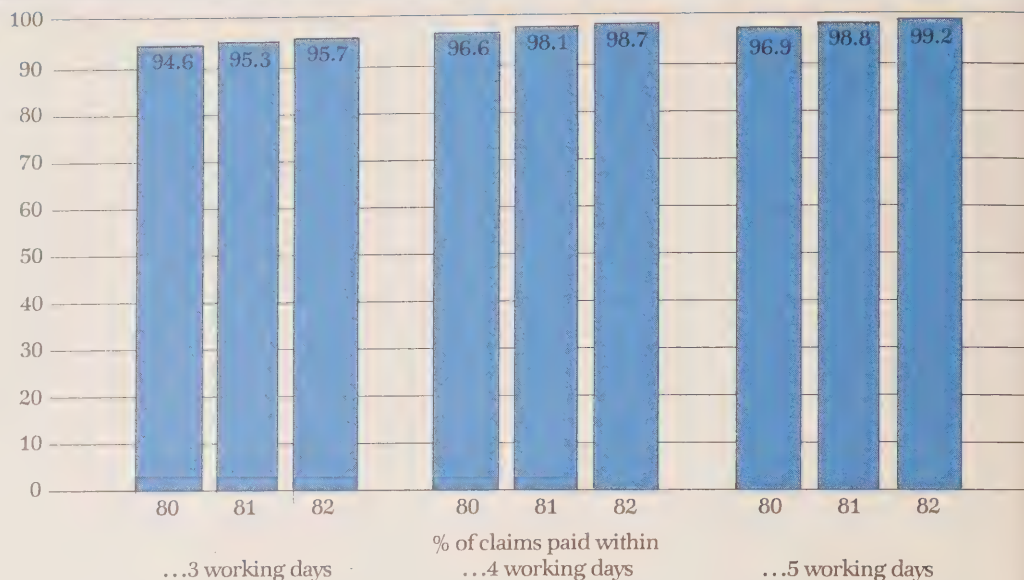
Monies also accrue to the Board through the work of *Legal Services*. This group advises the Corporate Board and operating management on legal matters and is responsible for engaging in litigation on behalf of injured workers who have chosen to subrogate to the Board their right of action against negligent third parties under Section 8 of the Act.

CLAIMS RESPONSE TIMES, 1980-1982

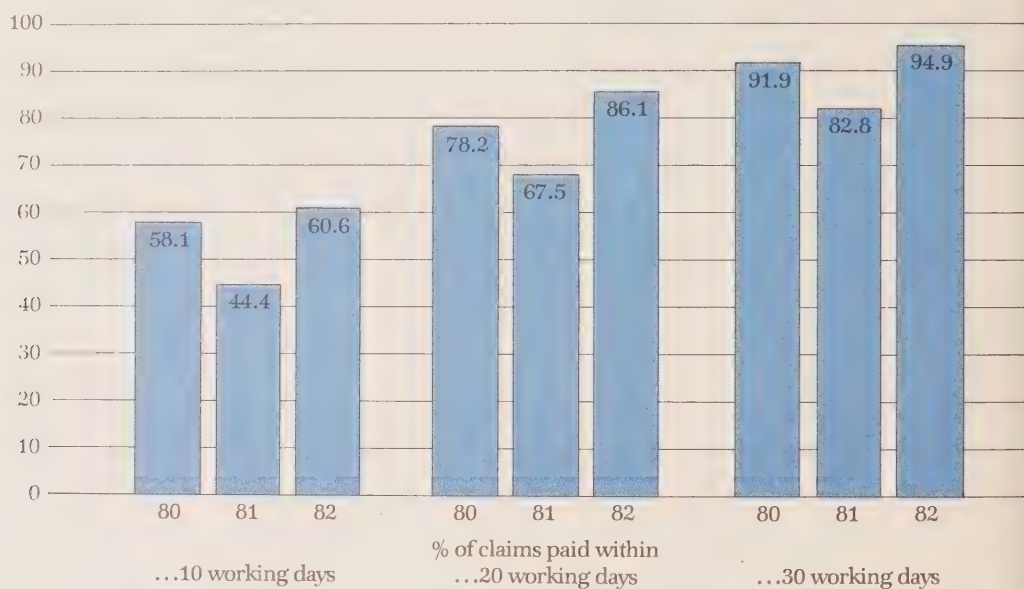
A comparison over three years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.*

*Claims excluded from these charts: 1) claims in which there was a change in status from "no lost-time" to "lost-time"; 2) hernia claims; 3) industrial disease claims.

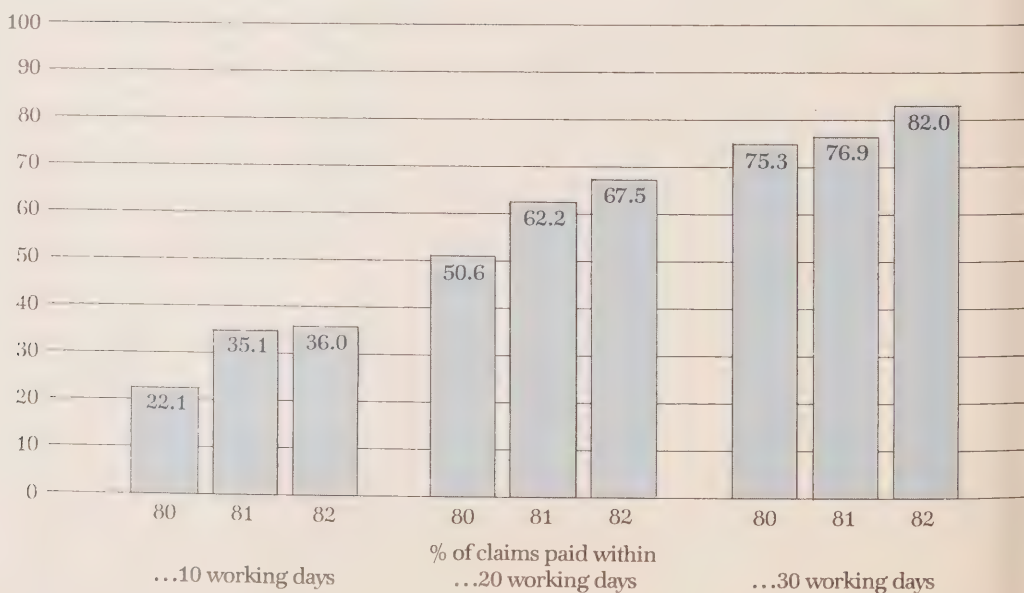
UNCOMPLICATED CLAIMS
(Instituted on the employer's report)



CLAIMS INSTITUTED ON
THE DOCTOR'S FIRST
REPORT
(Requiring additional reports
from the employer/employee)



COMPLICATED CLAIMS
(Needing enquiries or
full field investigations)



The Council of Safety Associations, as a result of major reorganization in 1982, established several new subcommittees. Among projects initiated during the year was a Task Force on Backs, to study the causes of and solutions to occupational back problems. A study into the extent of occupational health and safety education available at various levels of the school system was also initiated.

In 1982, there were increases both in the number of litigation files opened (569, from 282 the previous year) and the number of cases settled (308, compared with 254 in 1981). Damages recovered in these settlements amounted to \$2,104,293, compared with \$2,553,611 in 1981.

Another responsibility of Legal Services is the transfer of costs between Schedule 1 employers, where an employee or another employer is responsible in whole or in part for such costs. A total of 621 such transfers were made in 1982, compared with 842 in 1981.

SUPPORT SERVICES ESSENTIAL

Three other divisions which perform crucial functions within the Board are Administrative Resources, Human Resources and Communications.

The *Administrative Resources Division* provides a wide range of support services to all divisions of the Board, from security administration to co-ordinating the works department at the Hospital and Rehabilitation Centre. The *Human Resources Division* is responsible for staffing, training, salary and benefits administration, and assisting the Board's operating management in organizational review and restructuring. The function of the *Communications Division*, as its name implies, is to communicate the Board's programs, policies and procedures to the public.

OCCUPATIONAL HEALTH AND SAFETY EDUCATION

The Board has one final and important responsibility above and beyond its fundamental services — the direction of occupational health and safety education in Ontario. The Board encourages health and safety education and accident prevention in the workplace and makes an important contribution to the field. Through its *Safety Education Division*, it also administers the first aid regulations under The Workers' Compensation Act. (In 1982, more than 22,000 workers across Ontario received standard first aid training at the Board's expense.)

A policy adopted in June, 1982 makes the Workers' Compensation Board (which in that year budgeted more than

\$26 million to support the work of nine provincial safety associations) responsible for the direction and control of all occupational health and safety education in the province under the terms of the Act. Essentially, this means the Board will co-ordinate the work of the safety associations.

The success of the Board in providing better, more comprehensive service to injured workers and employers throughout Ontario largely depends on the co-operation of injured workers, their representatives, employers, the treating professions and, of course, the dedication of Board staff across the province.

In this spirit of co-operation and dedication, the Workers' Compensation Board will face the challenges of the year ahead with confidence and will continue to provide equitable, individualized service to the working men and women of this province.

The Council of Safety Associations conducted 10 seminars across the province on alcohol and drug abuse in the workplace during 1982.



Workers' Compensation Board Financial Statements Year Ended December 31, 1982

Contents

| | |
|---|----|
| Auditor's Opinion | 22 |
| Consulting Actuary's Report | 23 |
| Balance Sheet — Schedule 1 Accident Fund | 24 |
| Statement of Income, Expenses and Unfunded Liability — Schedule 1 Accident Fund | 24 |
| Balance Sheet — Schedule 2 | 25 |
| Statement of Changes in Net Deposits — Schedule 2 | 25 |
| Notes to the Financial Statements | 26 |
| Schedule 1 Accident Fund — Accident Prevention Expenses by Category and Safety Association | 28 |
| Schedule 1 Accident Fund — Administration Expenses | 28 |

Workers' Compensation Board Superannuation Fund Financial Statements Year Ended December 31, 1982

Contents

| | |
|--|----|
| Auditor's Opinion | 29 |
| Balance Sheet | 30 |
| Statement of Transactions and Fund Balance | 30 |
| Notes to the Financial Statements | 31 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheets — Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board (formerly Workmen's Compensation Board) as at December 31, 1982 and the statements of income, expenses and unfunded liability — Schedule 1 Accident Fund and of changes in net deposits — Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1982 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
April 29, 1983.

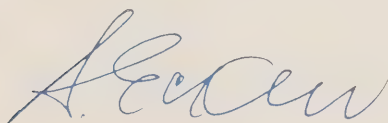
Eckler, Brown, Segal & Company Ltd.
Consulting Actuaries

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1
Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1982

The estimated present value of future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1982 in the amount of \$3.31 billion has been determined by the Board's Staff Actuary, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

As in previous valuations, no explicit provision has been made for potential future legislated amendments to the Workers' Compensation Act, such as a continuation of the series of amendments which have been made periodically in recent years to increase the covered earnings ceiling and the level of pensions in response to inflation. However, as in the previous valuation as of December 31, 1981, we made some provision for such future amendments by using an assumed interest rate lower than the rate which would have been used based solely on the yields on the Board's current and future investments. We estimate that this partial provision amounts to \$300 million which is included in the present value of \$3.31 billion referred to above. The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns and economic factors.

In our opinion, which includes the foregoing comments, the amount of \$3.31 billion as at December 31, 1982 makes reasonable provision for future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1982.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of Eckler,
Brown, Segal & Company Ltd.

April 29, 1983.

BALANCE SHEET—SCHEDULE 1 ACCIDENT FUND

December 31, 1982

| ASSETS | 1982 | ((\$000's)) | 1981 |
|--|---------------------|-------------|--------------------|
| Cash | \$ 10,068 | \$ | 3,546 |
| Investments (Note 3) | 1,625,285 | | 1,569,295 |
| Other assets (Note 4) | 266,469 | | 248,674 |
| Land, buildings and equipment (Note 5) | 19,094 | | 19,094 |
| | <u>\$ 1,920,916</u> | | <u>\$1,840,609</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges (Note 6) | \$ 39,029 | \$ | 46,749 |
| Estimated present value of future payments to existing Schedule 1 claimants | 3,310,000 | | 2,610,000 |
| | <u>\$ 3,349,029</u> | | <u>\$2,656,749</u> |
| Unfunded liability | (1,428,113) | | (816,140) |
| | <u>\$ 1,920,916</u> | | <u>\$1,840,609</u> |

Approved by the Board


Chairman


Vice-Chairman of Administration and General Manager

STATEMENT OF INCOME, EXPENSES AND UNFUNDED LIABILITY— SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1982

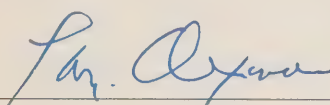
| INCOME | 1982 | ((\$000's)) | 1981 |
|---|----------------------|-------------|---------------------|
| Assessments and penalties (net of uncollectible assessments 1982 — \$20,593; 1981 — \$8,593) | \$ 696,604 | \$ | 601,470 |
| Investment income (Note 8) | 170,057 | | 165,935 |
| | <u>\$ 866,661</u> | | <u>\$ 767,405</u> |
| EXPENSES | | | |
| Benefits (Note 9) | \$ 651,469 | \$ | 556,565 |
| Provision for increase in estimated present value of future payments to existing claimants | | | |
| Current | 365,000 | | 160,000 |
| Legislative amendments (Note 10) | 335,000 | | 360,000 |
| Accident prevention | 26,244 | | 21,470 |
| Administration | 77,042 | | 67,051 |
| Medical and rehabilitation services | 17,862 | | 14,687 |
| Mine rescue | 857 | | 799 |
| Occupational health and safety | 5,160 | | 4,700 |
| | <u>\$ 1,478,634</u> | | <u>\$1,185,272</u> |
| Excess of expenses over income | \$ (611,973) | \$ | (417,867) |
| Unfunded liability, beginning of year | (816,140) | | (398,273) |
| Unfunded liability, end of year | <u>\$(1,428,113)</u> | | <u>\$ (816,140)</u> |

BALANCE SHEET — SCHEDULE 2

December 31, 1982

| ASSETS | 1982 | ((\$000's)) | 1981 |
|--|----------|-------------|----------|
| Cash | \$ 1,615 | | \$ 1,985 |
| Investments | 7,474 | | 5,496 |
| Administration expenses recoverable (Note 7) | 8,458 | | 7,116 |
| Interest and other receivables | 138 | | 133 |
| | \$17,685 | | \$14,730 |
| LIABILITIES | | | |
| Due to Schedule 1 | \$ 7,760 | | \$ 7,018 |
| Net deposits | 9,925 | | 7,712 |
| | \$17,685 | | \$14,730 |

Approved by the Board



Chairman



Vice-Chairman of Administration and General Manager

STATEMENT OF CHANGES IN NET DEPOSITS — SCHEDULE 2

Year Ended December 31, 1982

| INCREASE IN DEPOSITS | 1982 | ((\$000's)) | 1981 |
|---------------------------------|----------|-------------|----------|
| Reimbursements from employers | | | |
| Benefits | \$56,934 | | \$48,496 |
| Administration costs | 10,160 | | 7,939 |
| Investment income | 904 | | 933 |
| | \$67,998 | | \$57,368 |
| DECREASE IN DEPOSITS | | | |
| Benefits to workers | | | |
| Compensation | \$23,204 | | \$18,412 |
| Medical aid | 9,837 | | 9,189 |
| Rehabilitation | 557 | | 524 |
| Pensions | 22,027 | | 20,452 |
| Administration costs | 10,160 | | 7,939 |
| | \$65,785 | | \$56,516 |
| Increase in net deposits | \$ 2,213 | | \$ 852 |
| Net deposits, beginning of year | 7,712 | | 6,860 |
| Net deposits, end of year | \$ 9,925 | | \$ 7,712 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold or 20 years. Short-term investments are carried at cost.

Market values of investments are not disclosed as the Board's policy is generally to hold them to maturity.

Land, buildings and equipment

Land, buildings and equipment are stated at cost. Buildings and equipment are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Equipment purchases with a unit cost of \$1,000 or less and leasehold improvements with a unit cost of \$5,000 or less are expensed.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Estimated present value of future payments to existing Schedule 1 claimants

The estimated present value of future payments to existing Schedule 1 claimants is determined annually on an actuarial basis and is reviewed by independent consulting actuaries.

2. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where the employers are individually liable to pay compensation, medical aid, rehabilitation costs and pensions.

3. INVESTMENTS

1982 (\$000's) 1981

| | | |
|--|-------------|-------------|
| Bonds | \$1,018,111 | \$1,053,271 |
| Mortgages | 415,871 | 388,084 |
| | \$1,433,982 | \$1,441,355 |
| Unamortized portion of realized losses, net of gains, on sale of investments | 22,301 | 18,708 |
| | \$1,456,283 | \$1,460,063 |
| Short-term | 169,002 | 109,232 |
| | \$1,625,285 | \$1,569,295 |

4. OTHER ASSETS

1982 (\$000's) 1981

| | | |
|----------------------------------|-----------|-----------|
| Accrued investment income | \$ 30,949 | \$ 29,098 |
| Accrued assessment income | 20,000 | 40,000 |
| Assessment and other receivables | 207,760 | 172,551 |
| Prepaid administration expenses | — | 7 |
| Due from Schedule 2 | 7,760 | 7,018 |
| | \$266,469 | \$248,674 |

5. LAND, BUILDINGS AND EQUIPMENT

(\$000's)

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
|------------------------|----------|---|----------------|-------------------------------------|
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 10,472 | 4,641 | 5,831 | 2½% |
| Leasehold improvements | 2,357 | 1,167 | 1,190 | 10% |
| Equipment | 15,481 | 11,099 | 4,382 | 20% |
| Motor vehicles | 1,639 | 702 | 937 | 25% |
| | \$36,703 | \$17,609 | \$19,094 | |

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

1982 (\$000's) 1981

| | | |
|--------------------------------------|----------|----------|
| Accounts payable and accrued charges | \$22,523 | \$30,221 |
| Cheques issued and not yet cashed | 16,506 | 16,528 |
| | \$39,029 | \$46,749 |

7. ADMINISTRATION EXPENSES RECOVERABLE

The Board administers the payment of worker benefits on behalf of Schedule 2 employers, for which it allocates a charge to Schedule 2 employers based on the total administration costs less certain costs not appropriate to Schedule 2.

8. INVESTMENT INCOME

1982 (\$000's) 1981

| | | |
|--|-----------|-----------|
| Investment income | \$176,513 | \$170,160 |
| Less | | |
| Amortization of losses, net of gains, on sale of investments | (6,034) | (3,807) |
| Investment administration expenses | (422) | (418) |
| | \$170,057 | \$165,935 |

9. BENEFIT EXPENSES

1982 (\$000's) 1981

| | | |
|-----------------------------------|-----------|-----------|
| Compensation | \$356,464 | \$289,123 |
| Medical aid | 90,005 | 86,060 |
| Rehabilitation | 16,750 | 13,341 |
| Pensions | 189,509 | 169,793 |
| | \$652,728 | \$558,317 |
| Less recovered from third parties | 1,259 | 1,752 |
| | \$651,469 | \$556,565 |

10. LEGISLATIVE AMENDMENTS

The Workers' Compensation Act was amended during the year by consent of the Legislative Assembly of the Province of Ontario. The effect of the amendments was to increase the amount of certain benefit payments made to claimants with the application of these increased payments having an effective date of July 1, 1982.

The effect of the legislative amendments was to increase the estimated present value of future payments to existing Schedule 1 claimants by \$335 million.

11. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements with terms of various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

| | (\$000's) |
|------|-----------|
| 1983 | \$3,857 |
| 1984 | \$3,710 |
| 1985 | \$3,103 |
| 1986 | \$2,778 |
| 1987 | \$2,587 |

12. SUPERANNUATION FUND

The Board has a benefit-based premium plan, the Superannuation Fund, for its employees and employees of the provincial safety associations. The accounts of the Fund are included in separate financial statements.

13. CHANGE OF NAME

During the year, by an Act of the Legislative Assembly of the Province of Ontario, the name of the Workmen's Compensation Board was changed to the Workers' Compensation Board.

SCHEDULE 1 ACCIDENT FUND —

ACCIDENT PREVENTION EXPENSES BY CATEGORY AND SAFETY ASSOCIATION

Year Ended December 31, 1982

| BY CATEGORY | 1982 | (\$000's) | 1981 |
|--|----------|-----------|----------|
| Salaries and employees' benefits | \$14,156 | | \$11,739 |
| Travel and vehicle maintenance | 2,349 | | 1,970 |
| Supplies and services | 529 | | 492 |
| Equipment rental and maintenance | 425 | | 155 |
| Depreciation of equipment | 284 | | 138 |
| Occupancy costs | 1,167 | | 916 |
| Security services and insurance | 50 | | 47 |
| Communications and publications | 6,300 | | 4,693 |
| Other | 984 | | 1,320 |
| | \$26,244 | | \$21,470 |
| BY SAFETY ASSOCIATION | | | |
| Construction Safety Association of Ontario | \$ 7,692 | | \$ 6,442 |
| Electrical Utilities Safety Association of Ontario | 1,210 | | 1,002 |
| Forest Products Accident Prevention Association | 1,106 | | 953 |
| Farm Safety Association Inc. | 612 | | 534 |
| Hospital Accident Prevention Association | 1,077 | | 793 |
| Industrial Accident Prevention Association | 11,480 | | 9,505 |
| Mines Accident Prevention Association of Ontario | 1,617 | | 1,000 |
| Ontario Pulp & Paper Makers Safety Association | 477 | | 387 |
| Transportation Safety Association of Ontario | 973 | | 854 |
| | \$26,244 | | \$21,470 |

SCHEDULE 1 ACCIDENT FUND — ADMINISTRATION EXPENSES

Year Ended December 31, 1982

| | 1982 | (\$000's) | 1981 |
|--|-----------|-----------|----------|
| Salaries and employees' benefits | \$ 78,438 | | \$67,171 |
| Travel and vehicle maintenance | 2,513 | | 2,148 |
| Supplies and services | 2,138 | | 2,370 |
| Equipment rental and maintenance | 4,761 | | 5,391 |
| Depreciation of equipment | 1,565 | | 1,328 |
| Occupancy costs — net | 4,399 | | 3,220 |
| Security services and insurance | 683 | | 420 |
| Data processing costs | 576 | | 452 |
| Communications and publications | 6,725 | | 4,549 |
| Chest examining station costs | 581 | | 710 |
| Credit reports and legal expenses | 502 | | 381 |
| Professional fees and services | 788 | | 500 |
| Other | 1,917 | | 1,555 |
| | \$105,586 | | \$90,195 |
| Less administration expenses charged to: | | | |
| Investment income | \$ 422 | | \$ 418 |
| Hospital and Rehabilitation Centre | 100 | | 100 |
| Medical and rehabilitation services | 17,862 | | 14,687 |
| Schedule 2 | 10,160 | | 7,939 |
| | \$ 28,544 | | \$23,144 |
| Net charge to Statement of Income, Expenses and Unfunded Liability—Schedule 1 Accident Fund | \$ 77,042 | | \$67,051 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers' Compensation Board Superannuation Fund as at December 31, 1982 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1982 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
April 29, 1983.

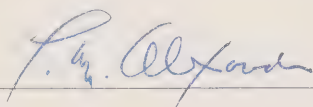
BALANCE SHEET — SUPERANNUATION FUND

December 31, 1982

| ASSETS | 1982 | ((\$000's)) | 1981 |
|---------------------------|------------------|-------------|------------------|
| Cash | \$ 1,611 | | \$ 536 |
| Investments (Note 3) | 119,807 | | 105,094 |
| Accrued investment income | 1,866 | | 1,582 |
| Accounts receivable | 181 | | 137 |
| | <u>\$123,465</u> | | <u>\$107,349</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 348 | | \$ 384 |
| Fund balance | 123,117 | | 106,965 |
| | <u>\$123,465</u> | | <u>\$107,349</u> |

Approved by the Board

Chairman



Vice-Chairman of Administration and General Manager



STATEMENT OF TRANSACTIONS AND FUND BALANCE — SUPERANNUATION FUND

Year Ended December 31, 1982

| CONTRIBUTIONS RECEIVED FROM | 1982 | ((\$000's)) | 1981 |
|--|------------------|-------------|------------------|
| The Board and the Safety Associations | \$ 4,027 | | \$ 3,334 |
| The employees of the Board and the Safety Associations | 3,720 | | 3,063 |
| | <u>\$ 7,747</u> | | <u>\$ 6,397</u> |
| INVESTMENT INCOME | \$ 12,041 | | \$ 9,558 |
| | <u>\$ 19,788</u> | | <u>\$ 15,955</u> |
| DEDUCT | | | |
| Pensions paid | \$ 3,325 | | \$ 3,012 |
| Contributions plus interest refunded to staff | 311 | | 763 |
| | <u>\$ 3,636</u> | | <u>\$ 3,775</u> |
| Increase in the fund for the year | \$ 16,152 | | \$ 12,180 |
| Fund balance, beginning of year | 106,965 | | 94,785 |
| Fund balance, end of year (Note 4) | <u>\$123,117</u> | | <u>\$106,965</u> |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1982

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

- (a) Investments — at the rates of exchange prevailing when the investments were acquired.
- (b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation Board and employees of the provincial safety associations.

| 3. INVESTMENTS | 1982 | | (\$000's) | | 1981 |
|----------------|-----------|--------------|-----------|--------------|------|
| | Cost | Market Value | Cost | Market Value | |
| Bonds | \$ 59,683 | \$ 54,752 | \$ 50,951 | \$36,887 | |
| Mortgages | 15,814 | 15,814 | 13,837 | 13,837 | |
| Equities | 26,140 | 35,781 | 26,770 | 33,974 | |
| | \$101,637 | \$106,347 | \$ 91,558 | \$84,698 | |
| Short-term | 18,170 | 18,170 | 13,536 | 13,536 | |
| | \$119,807 | \$124,517 | \$105,094 | \$98,234 | |

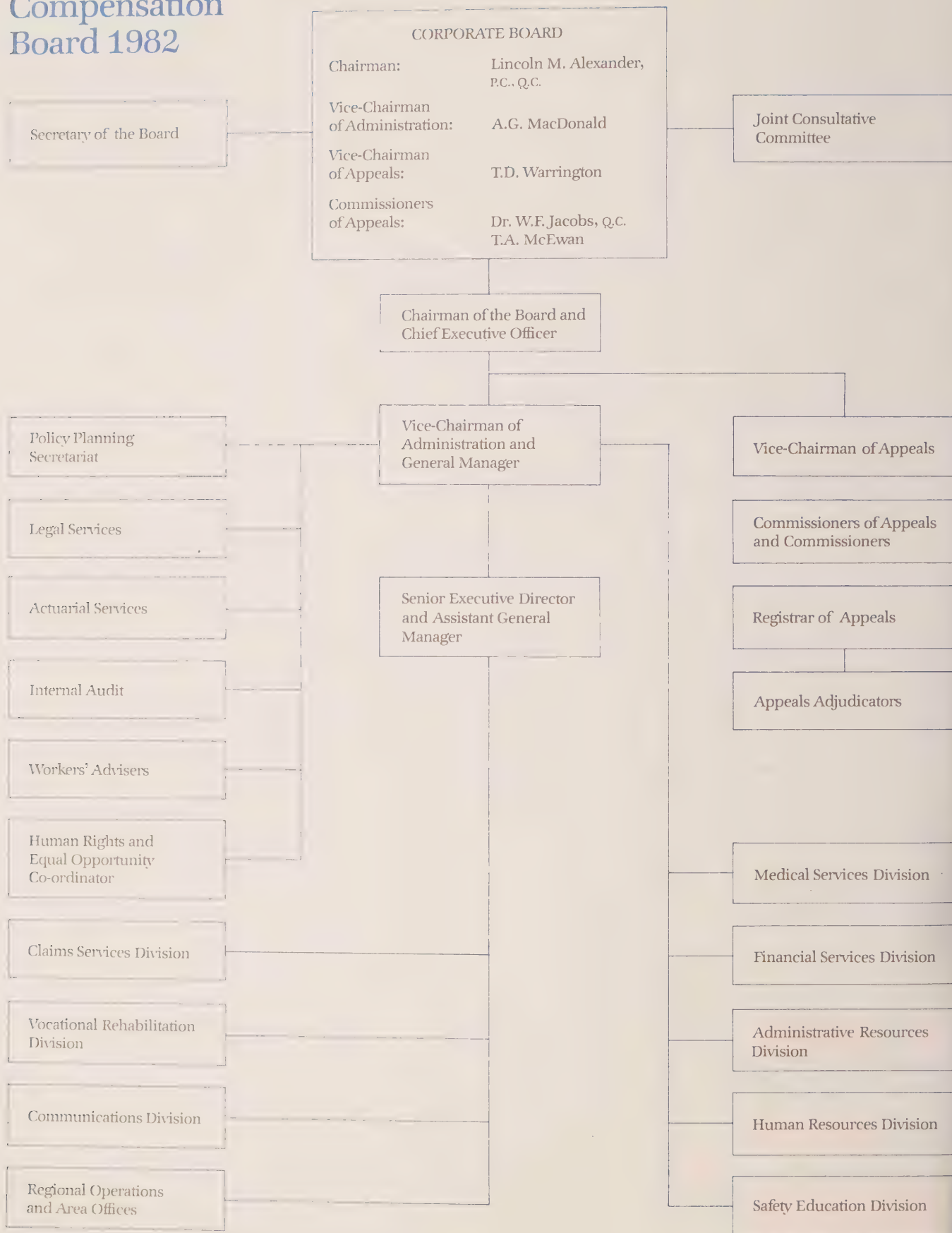
4. ACTUARIAL VALUATION

The most recent triennial actuarial valuation as at December 31, 1980 determined that the Fund was in a surplus position.

5. CHANGE OF NAME

During the year, by an Act of the Legislative Assembly of the Province of Ontario, the name of the Workmen's Compensation Board Superannuation Fund was changed to the Workers' Compensation Board Superannuation Fund.

Workers' Compensation Board 1982



**WORKERS' COMPENSATION BOARD OFFICES ARE LOCATED
THROUGHOUT ONTARIO TO SERVE YOU.**

TORONTO HEAD OFFICE

2 Bloor Street East
Toronto, Ontario
M4W 3C3
(416) 965-8851

**METRO TORONTO INFORMATION
CENTRE**

1382 St. Clair Avenue West
Toronto, Ontario
M6E 1C6
(416) 965-8864

HAMILTON

100 Main Street East
Room 108-110
Hamilton, Ontario
L8N 3W6
(416) 523-1800

KINGSTON

1055 Princess Street
Room 303
Kingston, Ontario
K7L 5T3
(613) 544-9682

KITCHENER/WATERLOO

153 Frederick Street
Kitchener, Ontario
N2H 2M1
(519) 576-4130

LONDON REGIONAL OFFICE

200 Queens Avenue
London, Ontario
N6A 1J3
(519) 663-2331

NORTH BAY

189 Wyld Street
North Bay, Ontario
P1B 1Z2
(705) 472-5200

OTTAWA

350 Sparks Street
Room 206
Ottawa, Ontario
K1R 7S8
(613) 238-7851

SAULT STE. MARIE

421 Bay Street
Third Floor
Sault Ste. Marie, Ontario
P6A 1X3
(705) 942-3002

ST. CATHARINES

282 Linwell Road
Room 120
St. Catharines, Ontario
L2N 6N5
(416) 937-2020

SUDBURY REGIONAL OFFICE

30 Cedar Street
Sudbury, Ontario
P3E 1A4
(705) 675-9301

THUNDER BAY

1265 Arthur Street East
Room 407
Thunder Bay, Ontario
P7E 6E7
(807) 623-4545

TIMMINS

273 Third Avenue
Room 204
Timmins, Ontario
P4N 1E2
(705) 267-6427

WINDSOR

787 Ouellette Avenue
Windsor, Ontario
N9A 4J4
(519) 256-3461

*Long-distance callers may
contact Board offices free
of charge. For toll-free
numbers, consult your local
telephone directory.*

12 ON
90
56

Apr 12 1984

Annual Report 1983



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**





**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

Opposite Page:
*The Workers' Compensation
Board's Hospital and Rehabilitation
Centre, which in 1983 admitted
more than 11,000 injured workers
from across Ontario, celebrated 25
years in its suburban Toronto
location.*

Annual Report 1983

The Workers' Compensation Board
Under the Government of Ontario

The Workers' Compensation Board
A Regulated Financial Institution
Operations for 1983

The Honorable Justice J. J. Macdonald
Chairman

CONTENTS

| | |
|----------------------------|---|
| Summary of Operations | 1 |
| Messaged from the Chairman | 2 |
| Significant Changes | 3 |
| The Year in Review | 4 |
| Financial Stability | 5 |
| The Year in Brief | 6 |
| Financial Statements | 7 |





Luciano Novia, an auto mechanic in Toronto, sustained a back injury on the job which prevented him from returning to that line of work. With the help of the Board's Vocational Rehabilitation Division, he underwent vocational testing and was sponsored for formal retraining at the University of Toronto's Faculty of Education. Mr. Novia obtained his teaching certificate at Board expense and is now employed as a high school teacher in automotive and industrial arts.

Summary of Operations

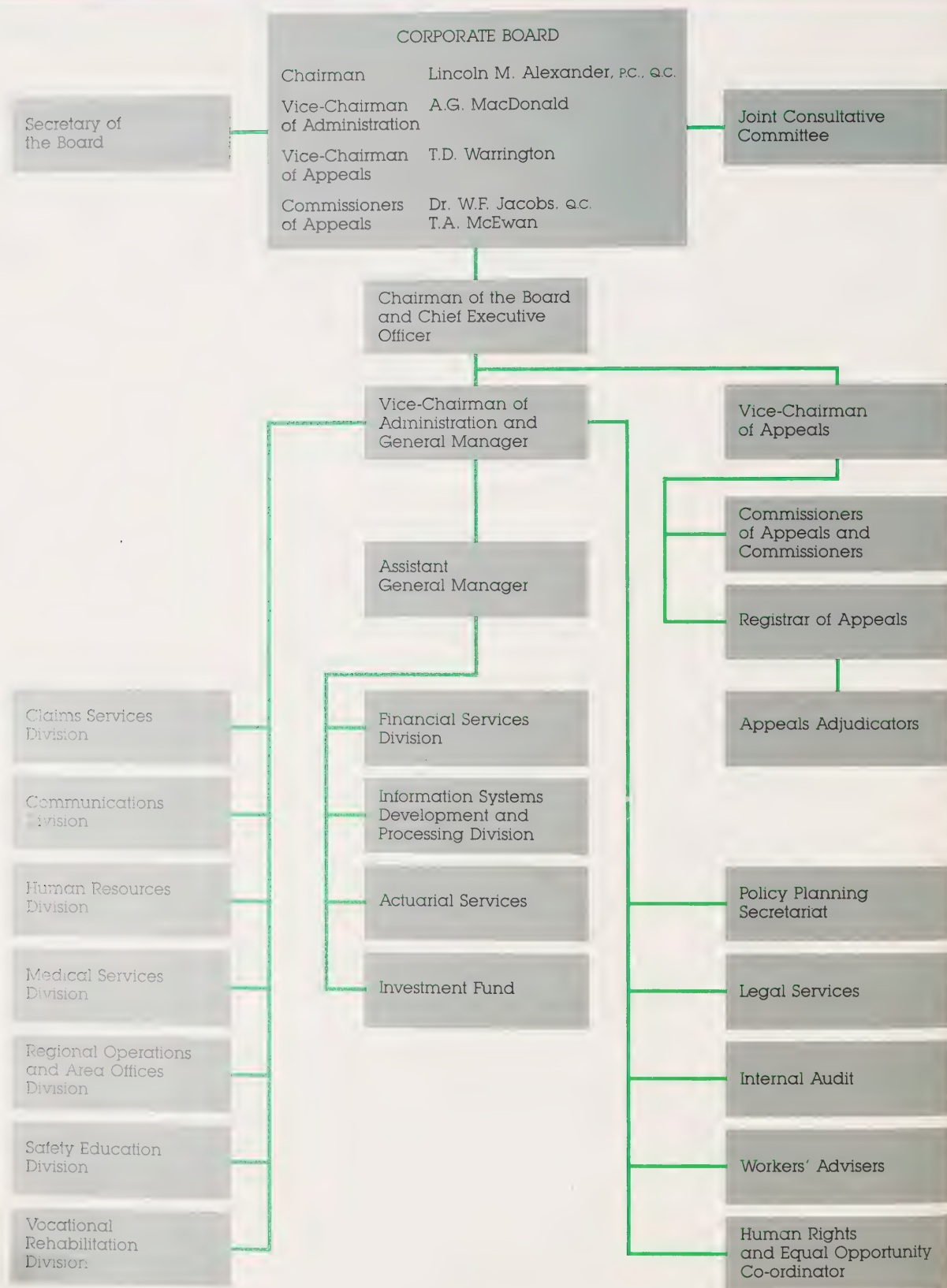
WORKERS' COMPENSATION BOARD – SUMMARY OF OPERATIONS

Year Ended December 31, 1983

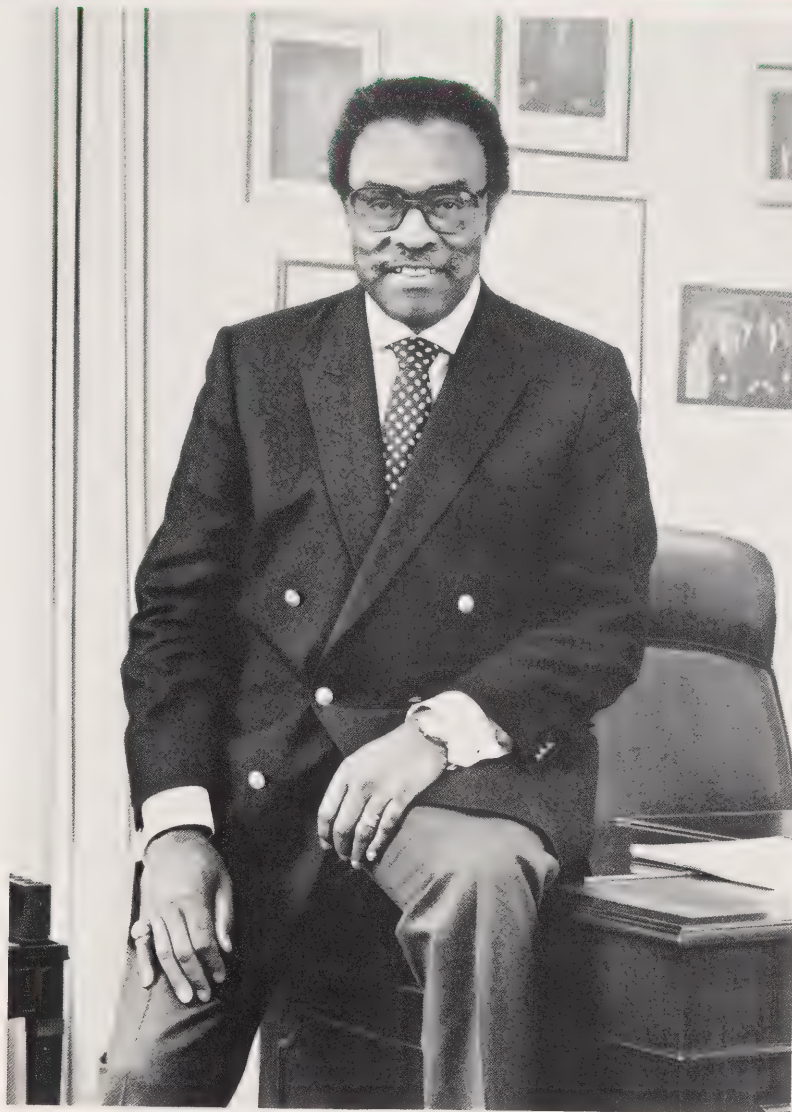
| | 1983 | (S000's) | 1982 |
|--|---------------|----------|---------------|
| Payroll upon which assessment revenue was based | *\$41,800,000 | | *\$40,800,000 |
| Incidents reported as work injuries | 344,758 | | 349,747 |
| SCHEDULE 1 OF THE ACT | | | |
| SCHEDULE 1 BENEFITS PAID AND AWARDED | | | |
| Medical aid paid | \$ 101,099 | \$ | 89,896 |
| Compensation paid | 410,543 | | 356,418 |
| Rehabilitation paid | 18,852 | | 16,750 |
| Pensions awarded | 263,910 | | 230,313 |
| | \$ 794,404 | \$ | 693,377 |
| SILICOSIS BENEFITS | | | |
| Medical aid paid | \$ 76 | \$ | 109 |
| Compensation paid | 58 | | 46 |
| Rehabilitation paid | — | | — |
| Pensions awarded | 848 | | 850 |
| | \$ 982 | \$ | 1,005 |
| Total | \$ 795,386 | \$ | 694,382 |
| LEGISLATIVE AMENDMENTS | | | |
| Current year | \$ 147,000 | \$ | 210,000 |
| Future years | 200,000 | | 150,000 |
| | \$ 347,000 | \$ | 360,000 |
| Total payments and awards under Schedule 1 of the Act | \$ 1,142,386 | \$ | 1,054,382 |
| SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | | |
| SCHEDULE 2 BENEFITS PAID | | | |
| Medical aid paid | \$ 10,766 | \$ | |
| Compensation paid | 27,603 | | 23,204 |
| Rehabilitation paid | 783 | | 557 |
| Pensions paid | 27,547 | | 22,027 |
| | \$ 66,699 | \$ | 55,625 |
| Compensation paid directly by Schedule 2 employers | \$ 21,330 | \$ | 18.8 |
| Total benefits paid under Schedule 2 | \$ 88,029 | \$ | 74,446 |
| TOTAL BENEFITS PAID AND AWARDED – SCHEDULES 1 AND 2 | | | |
| Total awards and payments (exclusive of legislative increase above) | \$ 883,415 | \$ | 768,828 |
| Legislative increases | \$ 347,000 | \$ | 360,000 |
| Total awards, payments and legislative increases | \$ 1,230,415 | \$ | 1,128,828 |

*Estimated adjusted payroll.

Workers' Compensation Board 1983



Message from the Chairman



As Chairman of the Workers' Compensation Board of Ontario, it is my privilege to present the Board's Annual Report for 1983 to the Honourable John B. Aird, Lieutenant Governor of Ontario, and to the citizens of the province.

This Report outlines some of the Board's numerous achievements during the year, highlights day-to-day operations and presents audited financial statements.

It is a statement of the Board's undiminished liability, which focuses on the task of the Board's financial position in 1983 and the steps we are taking, in co-operation with the province's employers, to manage it.

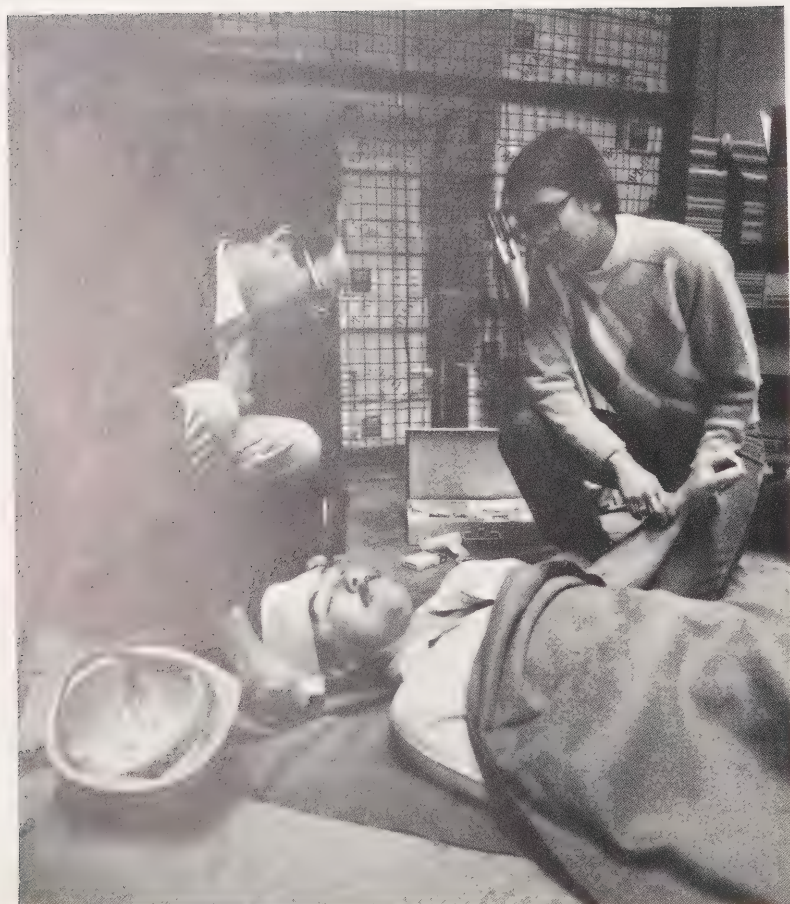
The Board's Annual Report for 1983 gives evidence of our own limited commitment to providing the province's injured workers and employees with the most complete compensation system.

L. Roy Alexander

L. Roy Alexander
Chairman

Significant Changes

BOARD INITIATIVES



The Year in Review

...nce with
services; first, adjudicat-
injuries and oc-
compensating
work and permanent
injured workers
and voca-
; in order to help
life and gainful
third, paying for these
collection of funds from



CLAIMS PROVINCE-WIDE

Few claims across the
initially in 1983 to
1982, or a de-
cent. Of total claims, 42.8
were accepted as lost-
time off work and
(payments). Another 51.0 per
cents were accepted as
(for accidents which
required medical treatment, but no time
lost the day of the accident).

Allowed fatal claims by year of death in
1983 totalled 219.

The Board attributes
the slight decline in new claims to three
factors: slow economic recovery from effects
of the recent recession; reduced blue-collar
employment in Ontario industries; and, in a
more positive vein, the success of occupa-
tional health and safety programs and
safety education measures across the
province.

The overall decline in
claims volume, however, represents a trend
only for the first seven months of the year. In
fact, the last five months of 1983 saw a
sizable increase in the number of new
claims reported to the Board, with
December showing a 12.4 per cent increase
over the same month in 1982.

TWO-LEVEL APPEALS SYSTEM

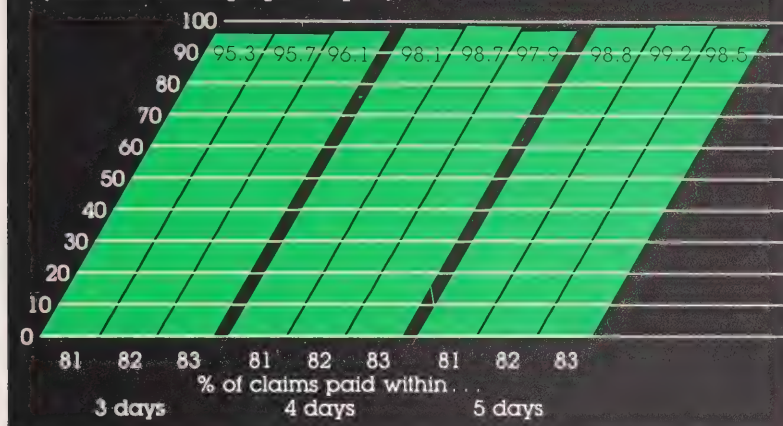
Any claim in which
denial or limitation of entitlement is recom-
mended, or any objections to decisions,
can be taken to one of two levels in the
Board's *Appeals System*. At the first level, an
appeals adjudicator reviews the claim and
may decide the appeal on the basis of the
information on file, call a hearing before an
appeals adjudicator, or refer the appeal to
the second step of the system, which is a
hearing by an appeal board of three
commissioners.

The number of
appeals heard by appeals adjudicators
and appeal boards increased during the
year. Appeals adjudicators held 3,170 hear-
ings, 7.1 per cent more than in 1982.
Appeal boards held 1,092 hearings, an
increase of 10.4 per cent over the previous
year.

When a claim is
allowed, the Board compensates injured
workers in two specific ways. First, it pro-
vides income-replacement benefits to
workers who are temporarily or perma-
nently disabled by a work-related injury or
occupational disease which prevents them
from earning full wages. Second, the Board
pays medical aid for injured workers, as
necessitated by the compensable injury or
disability. Medical aid expenses may
include such items as treatment by a physi-
cian, chiropractor, physiotherapist or dentist,
prescribed medication, a necessary
appliance or prosthetic device.

CLAIMS RESPONSE TIMES, 1981-1983

UNCOMPLICATED CLAIMS (Instituted on employer's report)



A comparison over three years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.

NOTE

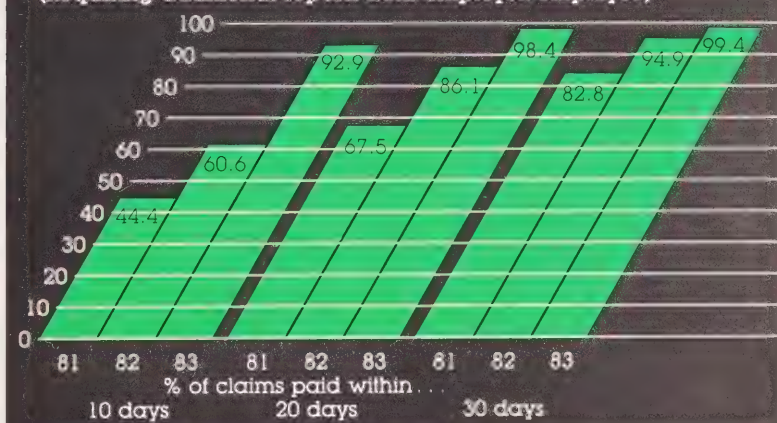
Claims excluded from these charts

- 1) claims in which there was a change in status from "no lost-time" to "lost-time";
- 2) hernia claims;
- 3) industrial disease claims

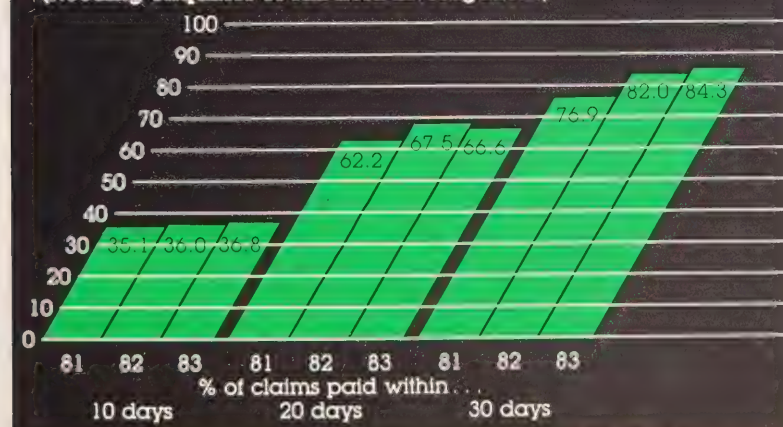
"Days" in these charts refer to working days

*There was a substantial improvement in claims response time for this type of claim in 1983 due to a change in the claims processing system.

CLAIMS INSTITUTED ON DOCTOR'S FIRST REPORT (Requiring additional reports from employer/employee)*



COMPLICATED CLAIMS (Needing enquiries or full field investigations)



INJURY LEVELS INCREASED

Over the past year, the number of workers injured in the U.S. has increased by 1.2 percent, according to a report by the Bureau of Labor Statistics. The report, which is based on data from the Bureau of Census, shows that the number of workers injured in the U.S. in 1987 was 3,100,000, up from 3,060,000 in 1986. The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986.

The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986. The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986.

The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986. The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986.

The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986. The report also shows that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986, and that the number of workers injured in the U.S. in 1987 was 1.2 percent higher than in 1986.

NIOSH CELEBRATES 25 YEARS

National Institute for Occupational Safety and Health (NIOSH) celebrated its 25th anniversary on October 1, 1987. NIOSH was established by Congress in 1962 as part of the Department of Health, Education and Welfare. NIOSH's mission is to prevent occupational injury and illness by conducting research, developing standards, and providing information to employers and workers. NIOSH has been successful in its mission, as evidenced by the fact that the number of occupational injuries and illnesses has decreased by 1.2 percent over the past 25 years.



of patients undergoing the full treatment program decreased by 10 percent to 2,500 from 2,750 in the previous year.

The number of cases in the number of cases that were handled by the clinic during the year. For example, the number of cases handled by the clinic during the year was 2,500, down from 2,750 in 1986. The number of cases handled by the clinic during the year was 2,500, down from 2,750 in 1986. The number of cases handled by the clinic during the year was 2,500, down from 2,750 in 1986.

Other in conjunction with independent researchers, staff of the Medical Service Division, are also involved in research projects. The number of cases handled by the clinic during the year was 2,500, down from 2,750 in 1986. The number of cases handled by the clinic during the year was 2,500, down from 2,750 in 1986.

MAJOR RESEARCH IN PROGRESS

The subject of major research projects is the study of the effects of low-level noise on the human body. The study is being conducted by the National Institute for Occupational Safety and Health (NIOSH) and the National Institute of Environmental Health Sciences (NIEHS). The study is being conducted by the National Institute for Occupational Safety and Health (NIOSH) and the National Institute of Environmental Health Sciences (NIEHS). The study is being conducted by the National Institute for Occupational Safety and Health (NIOSH) and the National Institute of Environmental Health Sciences (NIEHS).

When an injured worker is brought to medical attention, a number of factors are considered. The first factor is the nature of the injury and the extent of the damage. The second factor is the location of the injury and the extent of the damage. The third factor is the nature of the injury and the extent of the damage. The fourth factor is the nature of the injury and the extent of the damage.

LOST-TIME CLAIMS BY PART OF BODY INJURED, 1983

| PART OF BODY | CLAIMS | % OF TOTAL CLAIMS |
|----------------|----------------|-------------------|
| Back | 41,785 | 28.3 |
| Finger(s) | 16,986 | 11.5 |
| Lower leg | 9,972 | 6.8 |
| Multiple parts | 9,575 | 6.5 |
| Hand | 6,401 | 4.3 |
| Ankle | 6,021 | 4.1 |
| Eye(s) | 5,917 | 4.0 |
| Forearm | 4,737 | 3.2 |
| Upper arm | 4,680 | 3.2 |
| Shoulder(s) | 4,022 | 2.7 |
| Leg, multiple | 3,920 | 2.7 |
| Wrist | 3,595 | 2.4 |
| Abdomen | 3,591 | 2.4 |
| Knee | 3,565 | 2.4 |
| Other | 22,899 | 15.5 |
| TOTAL | 147,666 | 100.0 |

are assessed in preparing the unemployment claim and in returning to the work force.

VOCATIONAL REHABILITATION SERVICES IN DEMAND

Despite a decline in claims volume province-wide, the number of workers entering the long-term vocational rehabilitation services in 1983 increased by 5.5 per cent, and 118 more than in 1982. In addition, services were requested for 1,139 injured workers, resulting in a total of 4,127 referrals during 1983, up from 3,909 in 1982.

At the same time, as vice was completed in the field at 7,777 cases, an increase of 25.3 per cent over the 6,170 cases completed in 1982. The division also created 4,231 new job opportunities for rehabilitated workers, an increase of 17.7 per cent over 1982.

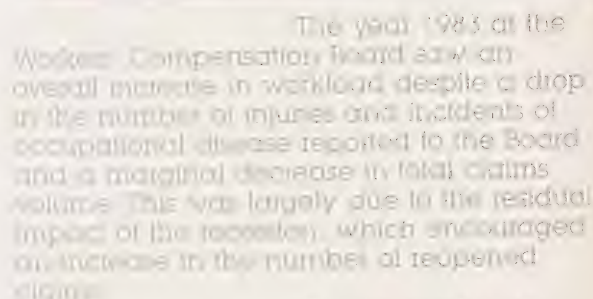
The Workers' Compensation Board draws on two primary sources of revenue to fund its many programs and services. The vast majority is funds drawn from annual assessments on the province's employees, while the balance is derived from revenue-generating investments.

FINANCIAL MANAGEMENT

As a result of the downward trend in short-term interest rates, the Board's Financial Services Division, charged with providing a comprehensive program of financial management for all Board operations — saw the Board's net investment income decline from \$170 million in 1982 to \$166.9 million. The returning yield on the long-term portfolio continued to improve, however, rising from 10.67 per cent in 1982 to 10.90 per cent in 1983. At the same time, accident fund investments yielded an amortized net return of 10.1 per cent, up from 9.9 per cent in 1982.

On July 1, 1983, the maximum benefit level for compensating workers' compensation was raised from \$24,281 to \$25,000, in recognition of the ergonomic hardship that increase might pose to employees. The Board postponed the long-term interest increase in the maximum benefit payable through 1984. In 1982, the maximum benefit was \$24,281, up from \$23,000 in 1981, an increase of 5.2 per cent.

(percentage of total)



Despite greater demands on its resources, however, the Wisconsin Compensation Board continued to ensure prompt, efficient and individualized service to the injured workers and employers of the state.

Unfunded Liability

The Workers' Compensation Board's "unfunded liability" has been rising steadily over the last few years. While the Board has assets in cash, securities and property with which to cover part of the liability, any remaining liability represents a concern to those responsible for maintaining the stability of the province's workers' compensation system.

In 1983, the unfunded liability — the gap between the Board's liabilities to injured workers and the Board's assets available to pay these future costs — grew to approximately \$2.0 billion, up from \$1.4 billion in 1982.

Of that \$2.0 billion, \$0.5 billion represents a partial provision for possible cost-of-living adjustments which may be legislated in future. Given nearly 10 years' experience in Ontario of yearly cost-of-living increases in benefit levels, however, it is reasonable to consider the impact of continuing with only a partial provision for these adjustments. Indeed, if one takes full account of these possible future cost-of-living adjustments, the unfunded liability may reach \$4.9 billion.

FIRST STEP

In response to this trend, the Workers' Compensation Board, in 1983, amplified efforts to reduce its deficit. The first step was to make Ontario's employers fully aware of the problem which confronts the province's workers' compensation system. Although the unfunded liability has always appeared in the Board's annual financial statements, the Board wanted to stress to employers the need to increase assessments in the next few years in order to keep our compensation system on a sound financial base.

The second, and equally important, step was to seek the co-operation and assistance of employers. Under the Workers' Compensation Act, Ontario's approximately 164,000 employers are charged with funding the compensation system.

In 1983, members of the Board's senior management met with employers and employer groups throughout the province on more than 50 occasions. It was hoped that, together, the Board and employers could determine the most appro-

priate methods of reducing the unfunded liability without, in any way, hampering the ability of Ontario's employers to carry on business. After all, the ultimate health of the workers' compensation system depends on the continued strength of the province's economy.

FUNDING WORKERS' COMPENSATION

In order to understand the roots of the Board's unfunded liability, and the measures available to tackle it, consider how the province's compensation system is funded. Most of Ontario's employers are classified into 108 industry rate groups according to their end products or services. All firms in an industry rate group pay assessments to the Board at a particular rate for every \$100 of assessable payroll, up to an assessable earnings ceiling of \$22,200 per employee in 1983.

By far the most significant and complex factor in determining an industry's assessment rate is the estimated total cost of injuries which will occur in that industry during the assessment year. Because many injuries necessitate benefit payments over several years, total cost must include a projection of the cost of benefit payments over those years; in fact, the Board calculates the cost of benefits by projecting upwards of 28 years into the future.

As already outlined, an allowance for possible future cost-of-living adjustments is included in this 28-year projection. In the past, however, this allowance has been insufficient, in part because these periodic adjustments — their size and their timing — are the prerogative of the Ontario Legislature. Taking full account of these possible future adjustments would make a significant difference to the average cost of a year's claim.

LEGISLATIVE AMENDMENT

In 1983, such a legislative amendment caused the compensable earnings ceiling used in calculating injured workers' benefits to be raised to \$25,500, even though the 1983 ceiling for assessment purposes had already been fixed at \$22,200. Since most employers would have based their own financial

forecasts on the lower ceiling, the Board continued its practice, suggested by industry, of deferring the introductory date of the higher ceiling for assessment purposes.

At some point these shortfalls must be recovered, a fact which has been of great concern to the Board for some time. In 1983, the Board's actuary proposed that assessment rates for 1984 be increased an average of 27 per cent, with a maximum increase of 35 per cent. This was a further attempt to start meeting the future real costs of our compensation system.

Many businesses in the province, however, felt that, given the recent recession, 27 per cent was too great an increase for industry to bear. The average assessment rate for 1984 was therefore held to just under 15 per cent.

CONSULTATION WITH EMPLOYERS

The process of direct consultation with employers on proposed increases in assessment rates was found to be beneficial to both industry and the Board.

Presently the problem of unfunded liability and setting its assessment rates in a manner which would reflect the reality of doing business in the province. Industry was given the opportunity to say in how the shortfall might be reduced and in how the situation can be addressed.

This valuable consultative process will continue. A precedent has been set whereby the Board's senior actuary will consult with the business community before making recommendations on final assessment rates to the Compensation Board. More importantly, the Board and industry have now started to develop a

long-term strategy for dealing with economic problems confronting our compensation system.

All parties realize that a central feature of this strategy must be higher assessment rates for employers, with whom the funding of our compensation system lies. To date, the Board has not included full provision for periodic legislative increases in its assessment rates. Both business and the Board accept that, in order to curb future increases in the unfunded liability, full provision for these legislative increases will have to be phased into assessment rates. It is now a matter to determine over what further period of time this phasing-in will occur.

REDUCING WORKPLACE INJURIES

Perhaps the best way to moderate these economic pressures is to reduce the cost of the system. This can be done by reducing the number of workplace injuries and the length of time injured workers are on compensation — through increased accident prevention and improved vocational rehabilitation measures.

The responsibility for reducing injuries rests equally with employers, workers and the Board — with the first, by fostering safe work practices; with the second, by working safely; and, with the third, through leadership of the provincial safety associations it funds.

The Workers' Compensation Board is convinced that, through discussion with the province's employers, and through the safety efforts of plant safety committees, safety associations, labour unions and individual workers, the existing unfunded liability can be curbed.

The Year in Brief

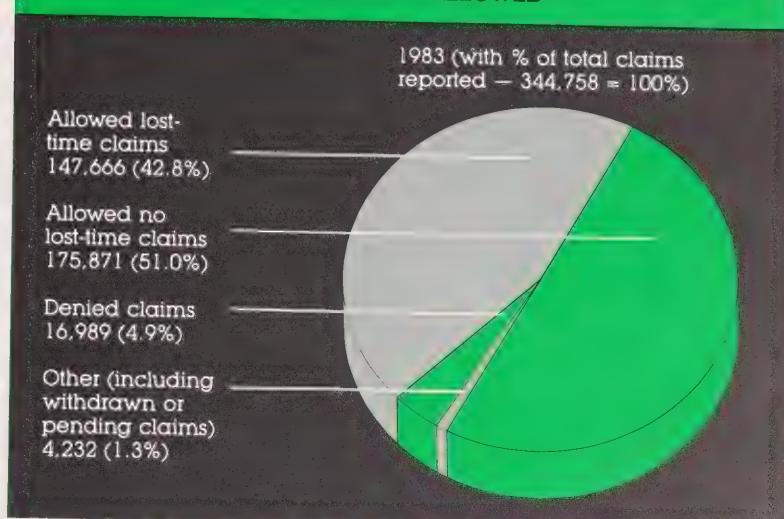
CLAIMS

- New claims province-wide totalled 344,758 in 1983, compared with 349,747 the previous year. Of total claims, 42.8 per cent (147,666) were accepted as lost-time claims, and 51.0 per cent (175,871) as no lost-time claims. Allowed fatal claims by year of death in 1983 totalled 219
- New permanent disability pensions awarded to workers during 1983 numbered 17,880, compared with 17,947 the previous year. This figure includes pensions for life as well as lump sum, provisional awards, and awards increased after reevaluation. In addition, 4,605 temporary supplementary awards were made. The number of injured workers' active pensions on file at the end of the year was 82,889



- Any claim in which an adjudicator recommends denial or limitation of entitlement, and any objections to decisions, are automatically reviewed by the Claims Review Branch. In 1983, a total of 22,596 claims were reviewed. The adjudicator's recommendation was confirmed in 62.9 per cent of claims and reversed in 4.5 per cent. The claim was returned for alternate action or further review in 32.6 per cent of cases

VOLUME AND TYPE OF CLAIMS ALLOWED



- The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's preexisting or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and medical aid costs transferred to SIEF in 1983 totalled \$131,258,846 (up from \$107,279,326 in 1982)

% CHANGE 1983-1982

| | | |
|-----------------------------|------------------|---------|
| Total claims | (1982 = 349,747) | 1.4% |
| Allowed lost-time claims | (1982 = 148,713) | -0.7% |
| Allowed no lost-time claims | (1982 = 183,990) | -4.4% |
| Denied claims | (1982 = 15,842) | +7.2% |
| Other | (1982 = 1,202) | +252.1% |



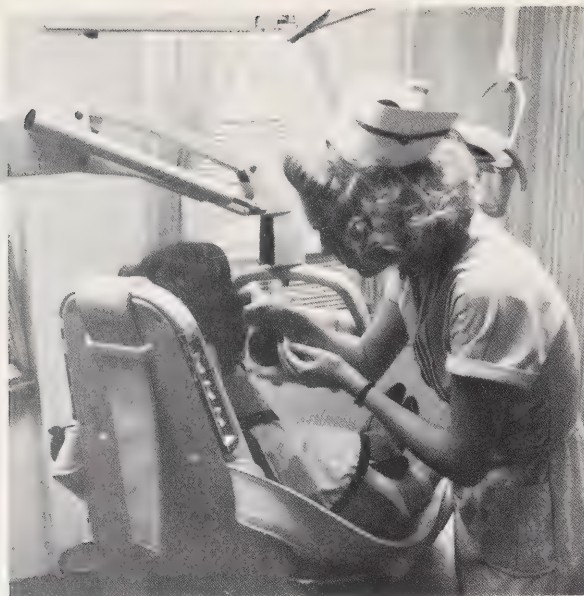
APPEALS

- Appeals adjudicators held 3,170 hearings in 1983, up 7.1 per cent from 1982. Appeal boards held 1,092 hearings, up 10.4 per cent
- During 1983, appeals adjudicators allowed or partially allowed 44.5 per cent of appeals decided. Appeal boards allowed or partially allowed 34.1 per cent of appeals decided
- In response to requests from employers, union representatives, injured worker groups, educational institutions and other interested parties, staff of the Claims Services Division, in conjunction with other divisions of the Board, gave more than 80 seminars throughout the province in 1983

MEDICAL SERVICES

Medical services provided by the Board's Hospital and Rehabilitation Centre (H&RC) during the year 1983 are outlined in the following table. The table shows the number of patients treated, the number of consultations, and the number of procedures performed. The data is presented in a tabular format, with columns for the type of service, the number of patients, the number of consultations, and the number of procedures.

The table is organized into three main sections: Occupational Injury, Occupational Illness, and Other Injuries and Illnesses. Each section contains a list of specific conditions or injuries, followed by the corresponding number of patients, consultations, and procedures.



LOST-TIME CLAIMS BY NATURE OF INJURY/ILLNESS, 1983

| OCCUPATIONAL INJURY | CLAIMS | % OF TOTAL CLAIMS |
|----------------------------------|---------|-------------------|
| Sprains, strains | 40,447 | 27.4 |
| Cuts, lacerations, open wounds | 17,644 | 12.0 |
| Contusions — intact skin | 15,403 | 10.4 |
| Fractures | 6,892 | 4.7 |
| Scratches, abrasions | 4,282 | 2.9 |
| Burns, scalds (heat) | 3,418 | 2.3 |
| Hernia, rupture | 1,622 | 1.1 |
| Multiple injuries | 835 | 0.6 |
| Amputation | 616 | 0.4 |
| OCCUPATIONAL ILLNESS | CLAIMS | % OF TOTAL CLAIMS |
| Hearing loss or impairment | 1,381 | 0.9 |
| Chemical burns | 918 | 0.6 |
| Fume toxicity, smoke inhalation | 631 | 0.4 |
| Ultraviolet rays, welders' flash | 594 | 0.4 |
| Dermatitis | 567 | 0.4 |
| Tenosynovitis | 378 | 0.3 |
| OTHER INJURIES AND ILLNESSES | CLAIMS | % OF TOTAL CLAIMS |
| TOTAL | 147,666 | 100.0 |

The following table shows the number of patients who completed the full-treatment program at the Centre, the number of patients who were medically fit to return to work, and the success rate of the program. The data is presented in a tabular format, with columns for the number of patients, the number of patients medically fit to return to work, and the success rate.

The success rate of the program was 79.6 per cent in 1983, down 2.2 per cent from 11,690 in 1982.

Of the 6,520 patients who completed the full-treatment program at the Centre, 5,188 were medically fit to return to work, a success rate of 79.6 per cent in these complicated cases.

Admissions to the Board's Hospital and Rehabilitation Centre (H&RC) totalled 11,434 in 1983, down 2.2 per cent from 11,690 in 1982.

A total of 23 different research projects were under way at the Hospital and Rehabilitation Centre during the year.

Transcutaneous electrical nerve stimulator (TENS) units, used by patients to control certain types of chronic pain, were prescribed in 1,196 cases at the Centre, an increase of 43.6 per cent over 1982.



VOCATIONAL REHABILITATION

- ▶ Rehabilitation staff throughout Ontario were instrumental in rehabilitating 3,981 injured workers in 1983, compared with 3,482 the year before. Of these, 3,188 were returned to work and an additional 793, who will not be returning to employment, were assisted in achieving financial self-sufficiency
- ▶ A total of 3,302 assessments of injured workers were arranged in order to help identify their working capacity
- ▶ A total of 2,400 training programs for injured workers were commenced in 1983
- ▶ Vocational Rehabilitation staff found 12.7 per cent more new job opportunities for rehabilitated workers in 1983, or 4,237

REGIONAL OPERATIONS AND AREA OFFICES

- ▶ Of a total of 344,758 new claims reported to the Board province-wide in 1983, 19,862 and 15,001 were reported to the London and Sudbury offices respectively.
- ▶ Medical aid payments processed by the Board's two regional offices in 1983 totalled 171,927. London and Sudbury offices also prepared 74,408 lost-time payments
- ▶ Staff of the area and information service offices continued the practice of visiting communities not easily accessible to Board offices. Visiting counselling services were regularly scheduled in 12 communities province-wide
- ▶ Staff of the Board's regional area and information service offices conducted 155 speaking engagements in the community during 1983

LEGAL SERVICES

- ▶ The transfer of costs between Schedule 1 employers, where an employee of another employer is responsible in whole or in part for such costs, is the responsibility of Legal Services. There were 734 such transfers in 1983, compared with 621 the previous year

SAFETY EDUCATION

- ▶ Through the Safety Education Division, the Board administers first aid regulations under the Workers' Compensation Act. In 1983, approximately 7,000 employers received first aid training for their employees at Board expense. In total, some 22,000 workers across Ontario were trained in standard first aid
- ▶ The Council of Safety Association's Task Force on Backs evaluated and reviewed prevention activities with respect to back injuries in the workplace, through various research projects and consulting activities during 1983
- ▶ The Council of Safety Association's Education Committee initiated a project to develop safety education curricula which, when completed, will be offered to teachers for use in the schools.



LOST-TIME CLAIMS BY OCCUPATION, 1983

| OCCUPATION | CLAIMS | % OF TOTAL CLAIMS |
|---|---------|-------------------|
| Production, fabrication, assembly, repair | 20,952 | 14.2 |
| Service | 17,331 | 11.7 |
| Construction trades | 14,015 | 9.5 |
| Machining | 11,912 | 8.1 |
| Transport equipment | 11,058 | 7.5 |
| Processing | 10,341 | 7.0 |
| Clerical | 9,171 | 6.2 |
| Materials handling | 8,315 | 5.6 |
| Medicine and health | 5,900 | 4.0 |
| Sales | 4,359 | 2.9 |
| Farm | 2,884 | 2.0 |
| Other crafts and equipment | 1,684 | 1.1 |
| OCCUPATION (cont'd) | | |
| Mining, quarrying | 1,636 | 1.1 |
| Forestry, logging | 1,469 | 1.0 |
| Architects, engineers, technicians, surveyors | 1,087 | 0.7 |
| Teaching | 976 | 0.7 |
| Social workers, social sciences | 737 | 0.5 |
| Managerial, administrative | 697 | 0.5 |
| Artistic, recreational | 374 | 0.3 |
| Fishing, hunting | 43 | 0.0 |
| Religion | 5 | 0.0 |
| Other occupations | 22,720 | 15.4 |
| TOTAL | 147,666 | 100.0 |

WEEKLY COMPENSATION

| | | |
|--|--|------------|
| | | Assessment |
| | | 1983 |
| | | 1982 |
| | | 1981 |
| | | 1980 |
| | | 1979 |
| | | 1978 |
| | | 1977 |
| | | 1976 |
| | | 1975 |
| | | 1974 |
| | | 1973 |
| | | 1972 |
| | | 1971 |
| | | 1970 |
| | | 1969 |
| | | 1968 |
| | | 1967 |
| | | 1966 |
| | | 1965 |
| | | 1964 |
| | | 1963 |
| | | 1962 |
| | | 1961 |
| | | 1960 |
| | | 1959 |
| | | 1958 |
| | | 1957 |
| | | 1956 |
| | | 1955 |
| | | 1954 |
| | | 1953 |
| | | 1952 |
| | | 1951 |
| | | 1950 |
| | | 1949 |
| | | 1948 |
| | | 1947 |
| | | 1946 |
| | | 1945 |
| | | 1944 |
| | | 1943 |
| | | 1942 |
| | | 1941 |
| | | 1940 |
| | | 1939 |
| | | 1938 |
| | | 1937 |
| | | 1936 |
| | | 1935 |
| | | 1934 |
| | | 1933 |
| | | 1932 |
| | | 1931 |
| | | 1930 |
| | | 1929 |
| | | 1928 |
| | | 1927 |
| | | 1926 |
| | | 1925 |
| | | 1924 |
| | | 1923 |
| | | 1922 |
| | | 1921 |
| | | 1920 |
| | | 1919 |
| | | 1918 |
| | | 1917 |
| | | 1916 |
| | | 1915 |
| | | 1914 |
| | | 1913 |
| | | 1912 |
| | | 1911 |
| | | 1910 |
| | | 1909 |
| | | 1908 |
| | | 1907 |
| | | 1906 |
| | | 1905 |
| | | 1904 |
| | | 1903 |
| | | 1902 |
| | | 1901 |
| | | 1900 |
| | | 1899 |
| | | 1898 |
| | | 1897 |
| | | 1896 |
| | | 1895 |
| | | 1894 |
| | | 1893 |
| | | 1892 |
| | | 1891 |
| | | 1890 |
| | | 1889 |
| | | 1888 |
| | | 1887 |
| | | 1886 |
| | | 1885 |
| | | 1884 |
| | | 1883 |
| | | 1882 |
| | | 1881 |
| | | 1880 |
| | | 1879 |
| | | 1878 |
| | | 1877 |
| | | 1876 |
| | | 1875 |
| | | 1874 |
| | | 1873 |
| | | 1872 |
| | | 1871 |
| | | 1870 |
| | | 1869 |
| | | 1868 |
| | | 1867 |
| | | 1866 |
| | | 1865 |
| | | 1864 |
| | | 1863 |
| | | 1862 |
| | | 1861 |
| | | 1860 |
| | | 1859 |
| | | 1858 |
| | | 1857 |
| | | 1856 |
| | | 1855 |
| | | 1854 |
| | | 1853 |
| | | 1852 |
| | | 1851 |
| | | 1850 |
| | | 1849 |
| | | 1848 |
| | | 1847 |
| | | 1846 |
| | | 1845 |
| | | 1844 |
| | | 1843 |
| | | 1842 |
| | | 1841 |
| | | 1840 |
| | | 1839 |
| | | 1838 |
| | | 1837 |
| | | 1836 |
| | | 1835 |
| | | 1834 |
| | | 1833 |
| | | 1832 |
| | | 1831 |
| | | 1830 |
| | | 1829 |
| | | 1828 |
| | | 1827 |
| | | 1826 |
| | | 1825 |
| | | 1824 |
| | | 1823 |
| | | 1822 |
| | | 1821 |
| | | 1820 |
| | | 1819 |
| | | 1818 |
| | | 1817 |
| | | 1816 |
| | | 1815 |
| | | 1814 |
| | | 1813 |
| | | 1812 |
| | | 1811 |
| | | 1810 |
| | | 1809 |
| | | 1808 |
| | | 1807 |
| | | 1806 |
| | | 1805 |
| | | 1804 |
| | | 1803 |
| | | 1802 |
| | | 1801 |
| | | 1800 |
| | | 1799 |
| | | 1798 |
| | | 1797 |
| | | 1796 |
| | | 1795 |
| | | 1794 |
| | | 1793 |
| | | 1792 |
| | | 1791 |
| | | 1790 |
| | | 1789 |
| | | 1788 |
| | | 1787 |
| | | 1786 |
| | | 1785 |
| | | 1784 |
| | | 1783 |
| | | 1782 |
| | | 1781 |
| | | 1780 |
| | | 1779 |
| | | 1778 |
| | | 1777 |
| | | 1776 |
| | | 1775 |
| | | 1774 |
| | | 1773 |
| | | 1772 |
| | | 1771 |
| | | 1770 |
| | | 1769 |
| | | 1768 |
| | | 1767 |
| | | 1766 |
| | | 1765 |
| | | 1764 |
| | | 1763 |
| | | 1762 |
| | | 1761 |
| | | 1760 |
| | | 1759 |
| | | 1758 |
| | | 1757 |
| | | 1756 |
| | | 1755 |
| | | 1754 |
| | | 1753 |
| | | 1752 |
| | | 1751 |
| | | 1750 |
| | | 1749 |
| | | 1748 |
| | | 1747 |
| | | 1746 |
| | | 1745 |
| | | 1744 |
| | | 1743 |
| | | 1742 |
| | | 1741 |
| | | 1740 |
| | | 1739 |
| | | 1738 |
| | | 1737 |
| | | 1736 |
| | | 1735 |
| | | 1734 |
| | | 1733 |
| | | 1732 |
| | | 1731 |
| | | 1730 |
| | | 1729 |
| | | 1728 |
| | | 1727 |
| | | 1726 |
| | | 1725 |
| | | 1724 |
| | | 1723 |
| | | 1722 |
| | | 1721 |
| | | 1720 |
| | | 1719 |
| | | 1718 |
| | | 1717 |
| | | 1716 |
| | | 1715 |
| | | 1714 |
| | | 1713 |
| | | 1712 |
| | | 1711 |
| | | 1710 |
| | | 1709 |
| | | 1708 |
| | | 1707 |
| | | 1706 |
| | | 1705 |
| | | 1704 |
| | | 1703 |
| | | 1702 |
| | | 1701 |
| | | 1700 |
| | | 1699 |
| | | 1698 |
| | | 1697 |
| | | 1696 |
| | | 1695 |
| | | 1694 |
| | | 1693 |
| | | 1692 |
| | | 1691 |
| | | 1690 |
| | | 1689 |
| | | 1688 |
| | | 1687 |
| | | 1686 |
| | | 1685 |
| | | 1684 |
| | | 1683 |
| | | 1682 |
| | | 1681 |
| | | 1680 |
| | | 1679 |
| | | 1678 |
| | | 1677 |
| | | 1676 |
| | | 1675 |
| | | 1674 |
| | | 1673 |
| | | 1672 |
| | | 1671 |
| | | 1670 |
| | | 1669 |
| | | 1668 |
| | | 1667 |
| | | 1666 |
| | | 1665 |
| | | 1664 |
| | | 1663 |
| | | 1662 |
| | | 1661 |
| | | 1660 |
| | | 1659 |
| | | 1658 |
| | | 1657 |
| | | 1656 |
| | | 1655 |
| | | 1654 |
| | | 1653 |
| | | 1652 |
| | | 1651 |
| | | 1650 |
| | | 1649 |
| | | 1648 |
| | | 1647 |
| | | 1646 |
| | | 1645 |
| | | 1644 |
| | | 1643 |
| | | 1642 |
| | | 1641 |
| | | 1640 |
| | | 1639 |
| | | 1638 |
| | | 1637 |
| | | 1636 |
| | | 1635 |
| | | 1634 |
| | | 1633 |
| | | 1632 |
| | | 1631 |
| | | 1630 |
| | | 1629 |
| | | 1628 |
| | | 1627 |
| | | 1626 |
| | | 1625 |
| | | 1624 |
| | | 1623 |
| | | 1622 |
| | | 1621 |
| | | 1620 |
| | | 1619 |
| | | 1618 |
| | | 1617 |
| | | 1616 |
| | | 1615 |
| | | 1614 |
| | | 1613 |
| | | 1612 |
| | | 1611 |
| | | 1610 |
| | | 1609 |
| | | 1608 |
| | | 1607 |
| | | 1606 |
| | | 1605 |
| | | 1604 |
| | | 1603 |
| | | 1602 |
| | | 1601 |
| | | 1600 |
| | | 1599 |
| | | 1598 |
| | | 1597 |
| | | 1596 |
| | | 1595 |
| | | 1594 |
| | | 1593 |
| | | 1592 |
| | | 1591 |
| | | 1590 |
| | | 1589 |
| | | 1588 |
| | | 1587 |
| | | 1586 |
| | | 1585 |
| | | 1584 |
| | | 1583 |
| | | 1582 |
| | | 1581 |
| | | 1580 |
| | | 1579 |
| | | 1578 |
| | | 1577 |
| | | 1576 |
| | | 1575 |
| | | 1574 |
| | | 1573 |
| | | 1572 |
| | | 1571 |
| | | 1570 |
| | | 1569 |
| | | 1568 |
| | | 1567 |
| | | 1566 |
| | | 1565 |
| | | 1564 |
| | | 1563 |
| | | 1562 |
| | | 1561 |
| | | 1560 |
| | | 1559 |
| | | 1558 |
| | | 1557 |
| | | 1556 |
| | | 1555 |
| | | 1554 |
| | | 1553 |
| | | 1552 |
| | | 1551 |
| | | 1550 |
| | | 1549 |
| | | 1548 |
| | | 1547 |
| | | 1546 |
| | | 1545 |
| | | 1544 |
| | | 1543 |
| | | 1542 |
| | | 1541 |
| | | 1540 |
| | | 1539 |
| | | 1538 |
| | | 1537 |
| | | 1536 |
| | | 1535 |
| | | 1534 |
| | | 1533 |
| | | 1532 |
| | | 1531 |
| | | 1530 |
| | | 1529 |
| | | 1528 |
| | | 1527 |
| | | 1526 |
| | | 1525 |
| | | 1524 |
| | | 1523 |
| | | 1522 |
| | | 1521 |
| | | 1520 |
| | | 1519 |
| | | 1518 |
| | | 1517 |
| | | 1516 |
| | | 1515 |
| | | 1514 |
| | | 1513 |
| | | 1512 |
| | | 1511 |
| | | 1510 |
| | | 1509 |
| | | 1508 |
| | | 1507 |
| | | 1506 |
| | | 1505 |
| | | 1504 |
| | | 1503 |
| | | 1502 |
| | | 1501 |
| | | 1500 |
| | | 1499 |
| | | 1498 |
| | | 1497 |
| | | 1496 |
| | | 1495 |
| | | 1494 |
| | | 1493 |
| | | 1492 |
| | | 1491 |
| | | 1490 |
| | | 1489 |
| | | 1488 |
| | | 1487 |
| | | 1486 |
| | | 1485 |
| | | 1484 |
| | | 1483 |
| | | 1482 |
| | | 1481 |
| | | 1480 |
| | | 1479 |
| | | 1478 |
| | | 1477 |
| | | 1476 |
| | | 1475 |
| | | 1474 |
| | | 1473 |
| | | 1472 |
| | | 1471 |
| | | 1470 |
| | | 1469 |
| | | 1468 |
| | | 1467 |
| | | 1466 |
| | | 1465 |
| | | 1464 |
| | | 1463 |
| | | 1462 |
| | | 1461 |
| | | 1460 |
| | | 1459 |
| | | 1458 |
| | | 1457 |
| | | 1456 |
| | | 1455 |
| | | 1454 |
| | | 1453 |
| | | 1452 |
| | | 1451 |
| | | 1450 |
| | | 1449 |
| | | 1448 |
| | | 1447 |
| | | 1446 |
| | | 1445 |
| | | 1444 |
| | | 1443 |
| | | 1442 |
| | | 1441 |
| | | 1440 |
| | | 1439 |
| | | 1438 |
| | | 1437 |
| | | 1436 |
| | | 1435 |
| | | 1434 |
| | | 1433 |
| | | 1432 |
| | | 1431 |
| | | 1430 |
| | | 1429 |
| | | 1428 |
| | | 1427 |
| | | 1426 |
| | | 1425 |
| | | 1424 |
| | | 1423 |
| | | 1422 |
| | | 1421 |
| | | 1420 |
| | | 1419 |
| | | 1418 |
| | | 1417 |
| | | 1416 |
| | | 1415 |
| | | 1414 |
| | | 1413 |
| | | 1412 |
| | | 1411 |
| | | 1410 |
| | | 1409 |
| | | 1408 |
| | | 1407 |
| | | 1406 |
| | | 1405 |
| | | 1404 |
| | | 1403 |
| | | 1402 |
| | | 1401 |
| | | 1400 |
| | | 1399 |
| | | 1398 |
| | | 1397 |
| | | 1396 |
| | | 139 |





Financial Statements

WORKERS' COMPENSATION BOARD FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1983

CONTENTS

| | |
|--|---|
| Auditor's Opinion | 1 |
| Statement of Assets, Liabilities, and Fund Balances | 2 |
| Statement of Income, Expenses, and Changes in Fund Balances - Including a Statement of Cash Flows | 3 |
| Statement of Assets, Liabilities, and Fund Balances | 4 |
| Statement of Changes in the Budgetary Process | 5 |
| Notes to the Financial Statements | 6 |
| Schedule 1: Audited Financial Statements Presented by the Board and the Board of Directors | 7 |
| Schedule 2: Audited Financial Statements Presented by the Board and the Board of Directors | 8 |

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 1983

CONTENTS

| | |
|---|---|
| Auditor's Opinion | 1 |
| Statement of Assets, Liabilities, and Fund Balances | 2 |
| Statement of Income, Expenses, and Changes in Fund Balances | 3 |
| Notes to the Financial Statements | 4 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Workers' Compensation Board
and to the Minister of Labour,

I have examined the balance sheets — Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board as at December 31, 1983 and the statements of income, expenses and liabilities — Schedule 1 Accident Fund and of changes in assets — Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and procedures as I considered necessary in the circumstances. The present value of future payments to existing claimants was determined by the Board's Actuary and verified by an independent consulting actuary. In my opinion, based on my examination and the report of the independent consulting actuary, these financial statements fairly represent the financial position of the Board as at December 31, 1983 and the results of its operations for the year then ended. The statements are prepared in accordance with the accounting principles set out in Note 1 to the financial statements, applied on a basis consistent with that of the previous year. The audit has been made to the Board and to the

D. J. Archer

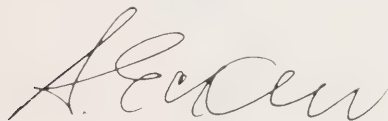
Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial
Liabilities of the Schedule 1 Accident Fund of the Workers'
Compensation Board of Ontario as at December 31, 1983

The estimated present value of future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1983 in the amount of \$3.95 billion has been determined by the Board's Staff Actuary, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1983. However, as in previous valuations, a partial provision has been made for potential future legislated increases in the covered earnings ceiling and the level of pensions in response to inflation, similar to the increases made in recent years. This partial provision was made by using an assumed rate of investment return lower than the rate which would have been used based solely on the yields on the Board's current and future investments. We estimate that this partial provision amounts to \$0.50 billion which is included in the present value of \$3.95 billion referred to above. The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns and economic factors.

In our opinion, which includes the foregoing comments, the amount of \$3.95 billion as at December 31, 1983 makes reasonable provision for future compensation, pension payments and medical aid under Schedule 1 on account of accidents that occurred on or before December 31, 1983.



Samuel Eckler, FSA, FCIA



David A. Short, FSA, FCIA

Actuaries with the firm of
Eckler Partners Ltd.

May 18, 1984

BALANCE SHEET - SCHEDULE 1 ACCIDENT FUND

| ASSETS | 1983 | (S'000's) | 1982 |
|--------|--------------------|-----------|--------------------|
| Cash | \$ 969 | \$ | 10,068 |
| | 1,656,331 | | 1,625,285 |
| | 291,666 | | 266,469 |
| | 20,232 | | 19,094 |
| | <u>\$1,969,198</u> | | <u>\$1,920,916</u> |
| | | | |
| | \$ 44,513 | \$ | 39,029 |
| | 3,950,000 | | 3,310,000 |
| | <u>\$3,994,513</u> | | <u>\$3,349,029</u> |
| | (2,025,315) | | (1,428,113) |
| | <u>\$1,969,198</u> | | <u>\$1,920,916</u> |

P. H. Alford

Chen

STATEMENT OF INCOME, EXPENSES AND UNFUNDED LIABILITY - SCHEDULE 1 ACCIDENT FUND

| | 1983 | (S'000's) | 1982 |
|--|-----------------------|-----------|-----------------------|
| | \$ 783,518 | \$ | 696,604 |
| | 166,853 | | 170,057 |
| | <u>\$ 950,371</u> | | <u>\$ 866,661</u> |
| | | | |
| | \$ 772,064 | \$ | 651,469 |
| | | | |
| | 293,000 | | 340,000 |
| | 147,000 | | 210,000 |
| | | | |
| | 200,000 | | |
| | 26,462 | | |
| | 83,294 | | |
| | 19,315 | | 17,862 |
| | 768 | | 85 |
| | 5,670 | | 5,160 |
| | <u>\$ 1,547,573</u> | | <u>\$ 1,478,634</u> |
| | | | |
| | \$ (597,202) | \$ | (611,973) |
| | (1,428,113) | | (816,140) |
| | <u>\$ (2,025,315)</u> | | <u>\$ (1,428,113)</u> |

Balance, end of year

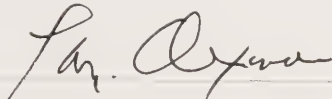
BALANCE SHEET - SCHEDULE 2

December 31, 1983

| ASSETS | 1983 | (S000 s) | 1982 |
|--|----------|----------|----------|
| Cash | \$ 50 | | \$ 1,615 |
| Investments | 7,888 | | 7,474 |
| Administration expenses recoverable (Note 7) | 9,241 | | 8,458 |
| Interest and other receivables | 131 | | 138 |
| | \$17,310 | | |
| LIABILITIES | | | |
| Due to Schedule 1 | \$ 7,442 | | \$ 7,760 |
| Net deposits | 9,868 | | 9,925 |
| | \$17,310 | | \$17,685 |

Approved by the Board

Chairman



Vice-Chairman of Administration and General Manager



STATEMENT OF CHANGES IN NET DEPOSITS - SCHEDULE 2

Year Ended December 31, 1983

| INCREASE IN DEPOSITS | 1983 | (S000 s) | 1982 |
|-------------------------------------|----------|----------|----------|
| Reimbursements from employers | | | |
| Benefits | \$65,904 | | \$56,937 |
| Administration costs | 10,632 | | 10,160 |
| Investment income | 738 | | 904 |
| | \$77,274 | | \$67,998 |
| DECREASE IN DEPOSITS | | | |
| Benefits to workers | | | |
| Compensation | \$27,603 | | \$23,204 |
| Medical aid | 10,766 | | 9,837 |
| Rehabilitation | 783 | | 557 |
| Pensions | 27,547 | | |
| Administration costs | 10,632 | | 10,160 |
| | \$77,331 | | \$65,785 |
| (Decrease) Increase in net deposits | \$ (57) | | \$ 2,213 |
| Net deposits, beginning of year | 9,925 | | 7,712 |
| Net deposits, end of year | \$ 9,868 | | \$ 9,925 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and at cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment to the portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security or 30 years. Short-term investments are carried at cost. Fair values of investments are not disclosed as the Board's intent is generally to hold them to maturity.

Buildings and equipment

Buildings, equipment and motor vehicles are stated at cost. Buildings, equipment and motor vehicles are depreciated using the straight-line method at rates calculated to amortize the cost over their estimated useful lives. Purchases with a unit cost of \$1,000 or less and improvements with a unit cost of \$5,000 or less are expensed.

Provisional assessments are determined on the basis of provisional payroll data of employers. At year end, an accrual is made for the effect to the additional assessment revenue if a audit of the actual payrolls being greater than the provisional assessments.

Present value of future payments to existing Schedule 1 employees

The present value of future payments to existing Schedule 1 employees is determined annually by the Board's actuaries and reviewed by an independent consulting actuary.

2. SCHEDULE 2

Schedule 2 relates to industries where the employers are liable to pay into a accident fund and Schedule 2 relates to industries where employers are individually liable to pay medical aid, rehabilitation costs and pensions.

| | 1983 (\$'000's) | 1982 |
|--|-----------------|-------------|
| Investments | \$1,023,252 | |
| Accrual for future payments to existing Schedule 1 employees | 408,136 | 415,871 |
| Net book value of investments | \$1,431,388 | \$1,433,982 |
| Realized losses on sale of investments | 22,609 | 22,301 |
| Net book value of investments | \$1,453,997 | \$1,456,283 |
| Accrual for future payments to existing Schedule 1 employees | 202,334 | 169,002 |
| Net book value of investments | \$1,656,331 | |

4. OTHER ASSETS

| | 1983 | (S000's) | 1982 |
|----------------------------------|------|----------|------------|
| Accrued investment income | \$ | 31,677 | \$ 30,949 |
| Accrued assessment income | | 35,000 | 20,000 |
| Assessment and other receivables | | 217,547 | 207,760 |
| Due from Schedule 2 | | 7,442 | 7,760 |
| | \$ | 291,666 | \$ 266,469 |

5. LAND, BUILDINGS AND EQUIPMENT

(S000 s)

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
|---------------------------|----------|--|-------------------|--|
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 10,813 | 5,039 | 5,774 | 2½% |
| Leasehold improvements | 2,540 | 1,528 | 1,012 | 10% |
| Equipment | 18,019 | 12,163 | 5,856 | 20% |
| Motor vehicles | 1,594 | 758 | 836 | 25% |
| | \$39,720 | \$19,488 | \$20,232 | |

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

1983 (S000's) 1982

| | | |
|---|----------|----------|
| Accounts payable and accrued charges | \$26,812 | \$22,523 |
| Cheques issued and not yet cashed | 17,701 | 16,506 |
| | \$44,513 | \$39,029 |

7. ADMINISTRATION EXPENSES RECOVERABLE

The Board administers the payment of worker benefits on behalf of Schedule 2 employers, for which it allocates a charge to Schedule 2 employers based on the total administration costs less certain costs not appropriate to Schedule 2.

8. INVESTMENT INCOME

1983 (S000's) 1982

| | | |
|---|-----------|-----------|
| Investment income | \$172,471 | \$176,513 |
| Less | | |
| Amortization of losses, net of gains, on sale of investments | (5,174) | (6,034) |
| Investment administration expenses | (444) | (422) |
| | \$166,853 | \$170,057 |

9. BENEFIT EXPENSES

1983 (S000 s) 1982

| | | |
|-----------------------------------|-----------|-----------|
| Compensation | \$412,498 | \$356,464 |
| Medical aid | 101,175 | 90,005 |
| Rehabilitation | 18,852 | 16,750 |
| Pensions | 241,436 | 189,509 |
| | \$773,961 | \$652,728 |
| Less recovered from third parties | 1,897 | 1,259 |
| | \$772,064 | \$651,469 |

10. LEGISLATIVE AMENDMENTS

The Workers' Compensation Act was amended during the year by consent of the Legislative Assembly of the Province of Ontario. The effect of the amendments was to increase the amount of certain benefit payments made to claimants with the application of these increased payments having an effective date of July 1, 1983.

The effect of the legislative amendments was to increase the estimated present value of future payments to existing Schedule 1 claimants by \$147 million.

11. PARTIAL PROVISION FOR FUTURE LEGISLATIVE AMENDMENTS

Each year the estimated present value of future payments to existing Schedule 1 claimants reflects a partial provision for future legislative amendments. This provision is substantially made by using an assumed interest rate lower than the rate which would have been used based solely on the yields on the Board's current and future investments.

The net effect of making such a partial provision for future legislative amendments was to increase the estimated present value of future payments to existing Schedule 1 claimants by \$200 million (1982 — \$150 million).

The accumulated amount of such partial provisions to December 31, 1983 was \$500 million (to December 31, 1982 — \$300 million).

12. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements on terms of various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

| | (\$000's) |
|------|-----------|
| 1984 | \$3,524 |
| 1985 | \$2,711 |
| 1986 | \$2,115 |
| 1987 | \$1,841 |
| 1988 | \$1,742 |

13. PENSION ANNUATION FUND

The Board has a benefit-based premium plan, the Pension Annuation Fund, for its employees and employees of the various rate associations. The accounts of the Fund are shown in separate financial statements.

14. COMPARATIVE FIGURES

Some of the comparative figures on the statement of income, statement of assets and unfunded liability have been reclassified to conform to the current year's presentation.

SCHEDULE 1 ACCIDENT FUND - ACCIDENT PREVENTION EXPENSES BY CATEGORY AND SAFETY ASSOCIATION

Year Ended December 31, 1983

| BY CATEGORY | 1983 | (S000's) | 1982 |
|--|----------|----------|----------|
| Salaries and employees' benefits | \$15,388 | | \$14,156 |
| Travel and vehicle maintenance | 2,431 | | 2,349 |
| Supplies and services | 519 | | 529 |
| Equipment rental and maintenance | 347 | | 425 |
| Depreciation of equipment | 309 | | 284 |
| Occupancy costs | 1,274 | | 1,167 |
| Security services and insurance | 50 | | 50 |
| Communications and publications | 4,661 | | 6,300 |
| Other | 1,483 | | 984 |
| | \$26,462 | | \$26,244 |
| BY SAFETY ASSOCIATION | | | |
| Construction Safety Association of Ontario | \$ 7,451 | | \$ 7,692 |
| Electrical Utilities Safety Association of Ontario | 1,216 | | 1,210 |
| Forest Products Accident Prevention Association | 1,136 | | 1,106 |
| Farm Safety Association Inc. | 673 | | 612 |
| Hospital Accident Prevention Association | 1,223 | | 1,077 |
| Industrial Accident Prevention Association | 11,407 | | 11,480 |
| Mines Accident Prevention Association of Ontario | 1,919 | | 1,617 |
| Ontario Pulp & Paper Makers Safety Association | 497 | | 471 |
| Transportation Safety Association of Ontario | 940 | | 973 |
| | \$26,462 | | \$26,244 |

SCHEDULE 1 ACCIDENT FUND - ADMINISTRATION EXPENSES

Year Ended December 31, 1983

| | 1983 | (S000) |
|---|-----------|-----------|
| Salaries and employees' benefits | \$ 85,547 | \$ 78,438 |
| Travel and vehicle maintenance | 2,374 | 2 |
| Supplies and services | 1,687 | 2 |
| Equipment rental and maintenance | 4,254 | 4,761 |
| Depreciation of equipment | 2,327 | 1,565 |
| Occupancy costs - net | 5,103 | 4,399 |
| Security services and insurance | 514 | 683 |
| Data processing costs | 471 | 576 |
| Communications and publications | 7,641 | 6,725 |
| Chest examining station costs | 771 | 58 |
| Credit reports and legal expenses | 664 | |
| Professional fees and services | 463 | 78 |
| Other | 1,969 | |
| | \$113,785 | \$105 |
| Less administration expenses charged to: | | |
| Investment income | \$ 444 | |
| Hospital and Rehabilitation Centre | 100 | |
| Medical and rehabilitation services | 19,315 | 17 |
| Schedule 2 | 10,632 | 10,140 |
| | \$ 30,491 | |
| Net charge to Statement of Income, Expenses and Unfunded Liability - Schedule 1 Accident Fund | \$ 83,294 | |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416 / 965-1381

to the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers'
Compensation Board Superannuation Fund as at December 31,
1983, and the statement of transactions and fund balance for the

year in the circumstances.

In my opinion, these financial statements present fairly the
financial position of the Fund as at December 31, 1983 and the
results of its operations and fund balance for the year then ended in accordance

with that of the preceding year.

The audit has been made to the Board and to the

A. J. Archer

BALANCE SHEET - SUPERANNUATION FUND

| | |
|--|-----------|
| | 1983 |
| | \$ 369 |
| | 136,700 |
| | 2,407 |
| | 333 |
| | \$139,809 |
| | |
| | \$ 203 |
| | 139,606 |
| | \$139,809 |

F. H. Alford

[Signature]

STATEMENT OF TRANSACTIONS AND FUND BALANCE - SUPERANNUATION FUND

| | |
|--|-----------|
| | 1983 |
| | \$ 4,422 |
| | 4,058 |
| | \$ 8,480 |
| | \$ 12,417 |
| | \$ 20,897 |
| | |
| | \$ 3,820 |
| | 588 |
| | \$ 4,408 |
| | \$ 16,489 |
| | 123,117 |
| | \$139,606 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, amortized cost less principal repayments for mortgages and cost for equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

- a) Investments — at the rates of exchange prevailing when the investments were acquired.
- b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation Board and employees of provincial safety associations.

| ASSETS | 1983 | | 1982 | |
|-----------|-----------|--------------|-----------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Bonds | \$ 68,511 | \$ 63,714 | \$ 59,683 | \$ 54,752 |
| Mortgages | 23,288 | 23,288 | 15,814 | 15,814 |
| Equities | 32,526 | 53,319 | 26,140 | 26,140 |
| | \$124,325 | \$140,321 | \$101,637 | \$106,347 |
| | 12,375 | 12,375 | 18,170 | 18,170 |
| | \$136,700 | \$152,696 | \$119,807 | \$124,517 |

3. FUND VALUATION

The report triennial actuarial valuation as at December 31, 1982, indicated that the Fund was in a surplus position. The valuation as at December 31, 1983 is in the process of being completed.

4. COMPARATIVE FIGURES

The comparative figures on the balance sheet have been restated in order to conform with the current year's accounting policies.

WORKERS' COMPENSATION BOARD OFFICES ARE LOCATED
THROUGHOUT ONTARIO TO SERVE YOU.

TORONTO HEAD OFFICE

2 Bloor Street East
Toronto, Ontario
M4W 3C3
(416) 927-9555

METRO TORONTO

INFORMATION CENTRE
1382 St. Clair Avenue West
Toronto, Ontario
M6E 1C6
(416) 965-8864

HAMILTON

100 Main Street East
Room 108-110
Hamilton, Ontario
L8N 3W6
(416) 523-1800

KINGSTON

1055 Princess Street
Room 303
Kingston, Ontario
K7L 5T3
(613) 544-9682

KITCHENER/WATERLOO

153 Frederick Street
Kitchener, Ontario
N2H 2M1
(519) 576-4130

LONDON REGIONAL OFFICE

200 Queens Avenue
London, Ontario
N6A 1J3
(519) 663-2331

NORTH BAY

189 Wyld Street
Box 3190
North Bay, Ontario
P1B 1Z2
(705) 472-5200

OTTAWA

350 Sparks Street
Room 206
Ottawa, Ontario
K1R 7S8
(613) 238-7851

SAULT STE. MARIE

421 Bay Street
Third Floor
Sault Ste. Marie, Ontario
P6A 1X3
(705) 942-3002

ST. CATHARINES

282 Linwell Road
Room 120
St. Catharines, Ontario
L2N 6N5
(416) 937-2020

SUDBURY REGIONAL OFFICE

30 Cedar Street
Sudbury, Ontario
P3E 1A4
(705) 675-9301

THUNDER BAY

1265 Arthur Street East
Room 407
Thunder Bay, Ontario
P7E 6E7
(807) 623-4545

TIMMINS

273 Third Avenue
Room 204
Box 1142
Timmins, Ontario
P4N 1E2
(705) 267-6427

WINDSOR

787 Ouellette Avenue
Windsor, Ontario
N9A 4J4
(519) 256-3461

*Long-distance callers may
contact Board offices free
of charge. For toll-free
numbers, consult your local
telephone directory.*





Workers'
Compensation
Board

Commission
des accidents
du travail

CA 20N

L90

-A56

Annual Report 1984



Working together...

The Workers' Compensation Board, established as an independent board in 1915, is responsible for administering the Workers' Compensation Act and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment of medical expenses, payment for loss of wages that may result from the injury or disease, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a wide variety of accident prevention activities and funds nine provincial safety associations.

The Honourable John B. Aird, O.C., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1984.

The Honourable Lincoln M. Alexander, P.C., Q.C., Chairman

CONTENTS

| | |
|-----------------------------|----|
| Summary of Operations | 1 |
| Administrative Structure | 2 |
| Chairman's Report | 3 |
| Facts and Figures | 8 |
| Board Offices Province-wide | 14 |
| Financial Statements | 15 |

Board employees who have been photographed for this annual report are as follows:

Cover (left to right)

Paul Murdoch

Occupational Health and Safety Education Authority

Lorenzo San Pedro

Financial Services Division

Detra Connolly

Claims Services Division

Page 4 (above)

Pat Lamanna

Vocational Rehabilitation Division

Page 4 (below, left to right)

Detra Connolly

Lorenzo San Pedro

Paul Murdoch

Page 5 (above)

Dr. Neva Hilliard

Medical Services Division

Page 5 (below)

John Neal

Actuarial Services

Page 6 (left to right)

Veronica Wailoo

Bill Rattan

Ibby Basaran

Management Information Services Division



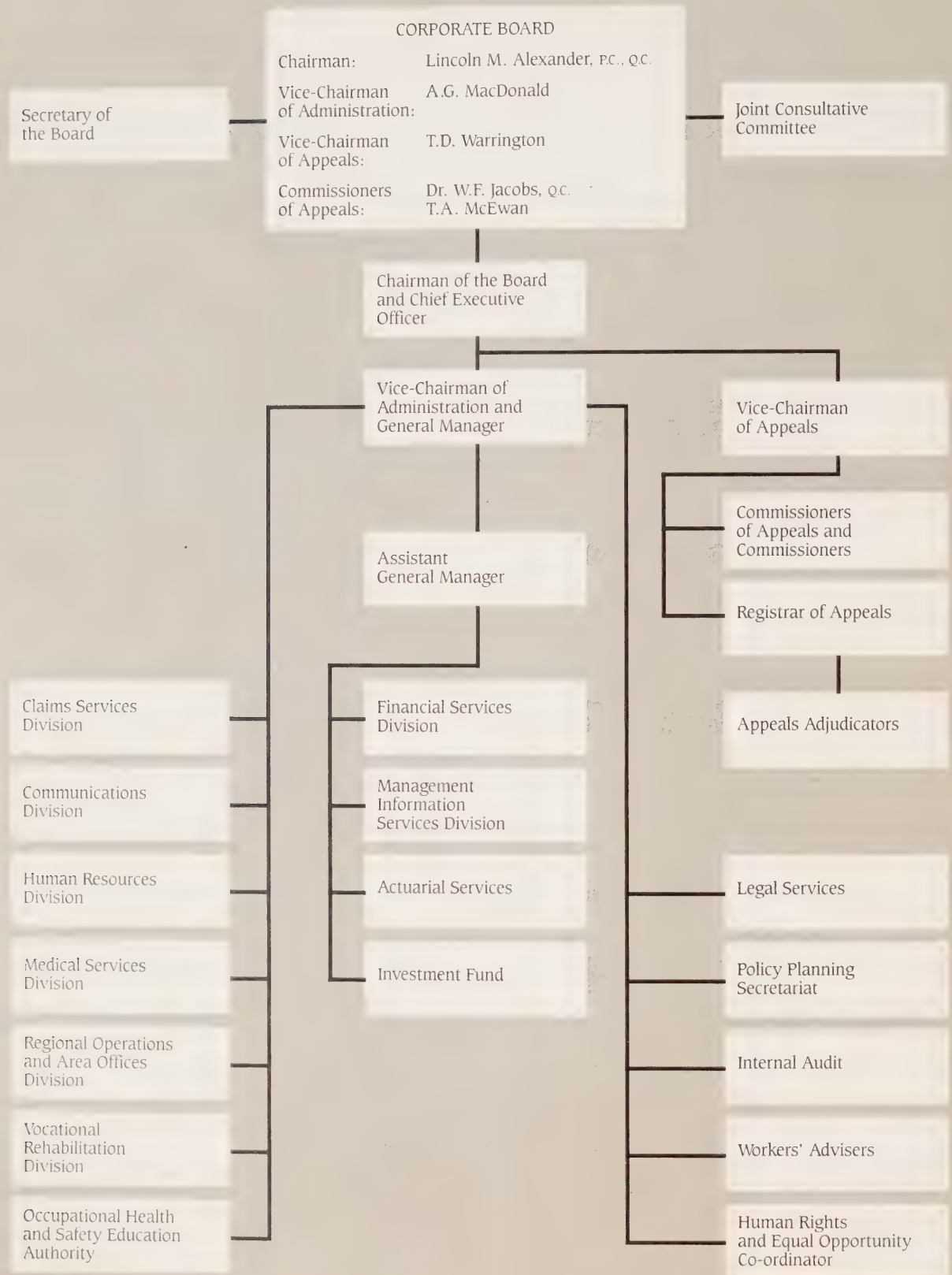
WORKERS' COMPENSATION BOARD - SUMMARY OF OPERATIONS

Year Ended December 31, 1984

| | 1984 | (000's) | 1983 |
|--|----------------|---------|---------------|
| Payroll upon which assessment revenue was based | * \$48,435,000 | | *\$41,800,000 |
| Incidents reported as work injuries | 388,845 | | 344,758 |
| SCHEDULE 1 OF THE ACT | | | |
| SCHEDULE 1 BENEFITS PAID | | | |
| Health care paid | \$ 117,579 | \$ | 101,099 |
| Compensation paid | 465,054 | | 410,543 |
| Rehabilitation paid | 21,615 | | 18,852 |
| Pensions paid (Awarded 1984 - \$308,296; 1983 - \$263,910) | 271,184 | | 237,235 |
| | \$ 875,432 | \$ | 767,729 |
| SILICOSIS BENEFITS | | | |
| Health care paid | \$ 52 | \$ | 76 |
| Compensation paid | 38 | | 58 |
| Rehabilitation paid | — | | — |
| Pensions paid (Awarded 1984 - \$461; 1983 - \$848) | 3,832 | | 4,201 |
| | \$ 3,922 | \$ | 4,335 |
| Total | \$ 879,354 | \$ | 772,064 |
| LEGISLATIVE AMENDMENTS | | | |
| Current year | \$ 254,000 | \$ | 147,000 |
| Future years | 350,000 | | 200,000 |
| | \$ 604,000 | \$ | 347,000 |
| Total benefits under Schedule 1 of the Act | \$ 1,483,354 | \$ | 1,119,064 |
| SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | | |
| SCHEDULE 2 BENEFITS PAID | | | |
| Health care paid | \$ 12,334 | \$ | 10,766 |
| Compensation paid | 31,189 | | 27,603 |
| Rehabilitation paid | 1,129 | | 783 |
| Pensions paid | 30,210 | | 27,547 |
| | \$ 74,862 | \$ | 66,699 |
| Compensation paid directly by Schedule 2 employers | \$ 24,395 | \$ | 21,330 |
| Total benefits paid under Schedule 2 | \$ 99,257 | \$ | 88,029 |
| TOTAL BENEFITS - SCHEDULES 1 AND 2 | | | |
| Total payments (exclusive of legislative increase above) | \$ 978,611 | \$ | 860,093 |
| Legislative increases | \$ 604,000 | \$ | 347,000 |
| Total payments and legislative increases | \$ 1,582,611 | \$ | 1,207,093 |

*Estimated adjusted payroll

Workers' Compensation Board 1984



Chairman's Report

It is once again my privilege to present the annual report of the Workers' Compensation Board to the Honourable John B. Aird, Lieutenant Governor of Ontario, and to the people of this province and their elected representatives.

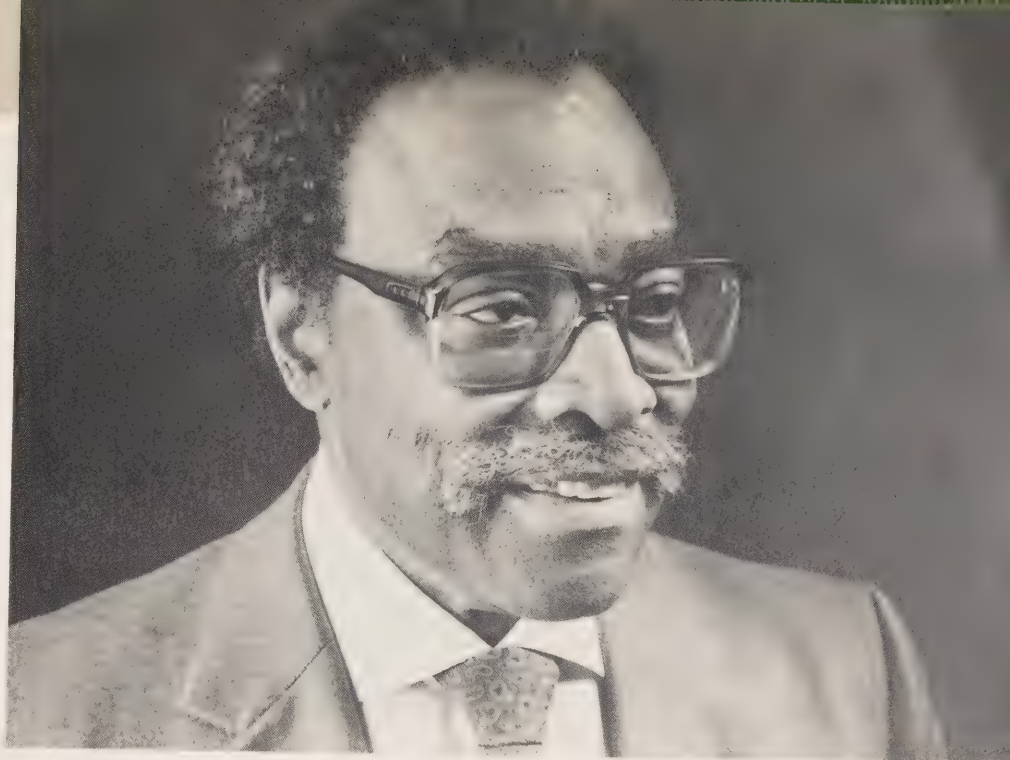
As Chairman, I am also pleased to comment on major adjustments during 1984 in the Board's administration of the Workers' Compensation Act, which in large measure have given shape to the year's work at the Board.

These changes provide some shift in workers' compensation policy, as well as redirection in the Board's administration of the Act, with the goal of improving the Board's

Major adjustments in the administration of the Workers' Compensation Act

service to its clients — the injured workers and employers of Ontario — and the treating agencies of this province. In that several amendments will not be fully realized until 1985, the year 1984 was, in many ways, a year of preparation at the Board.

By far, the most significant development of 1984 at the Workers' Compensation Board occurred just as the year was drawing to a close. On December 14, 1984, the Ontario legislature gave third and final reading to *Bill 101, An Act to amend the Workers' Compensation Act*.



Lincoln M. Alexander

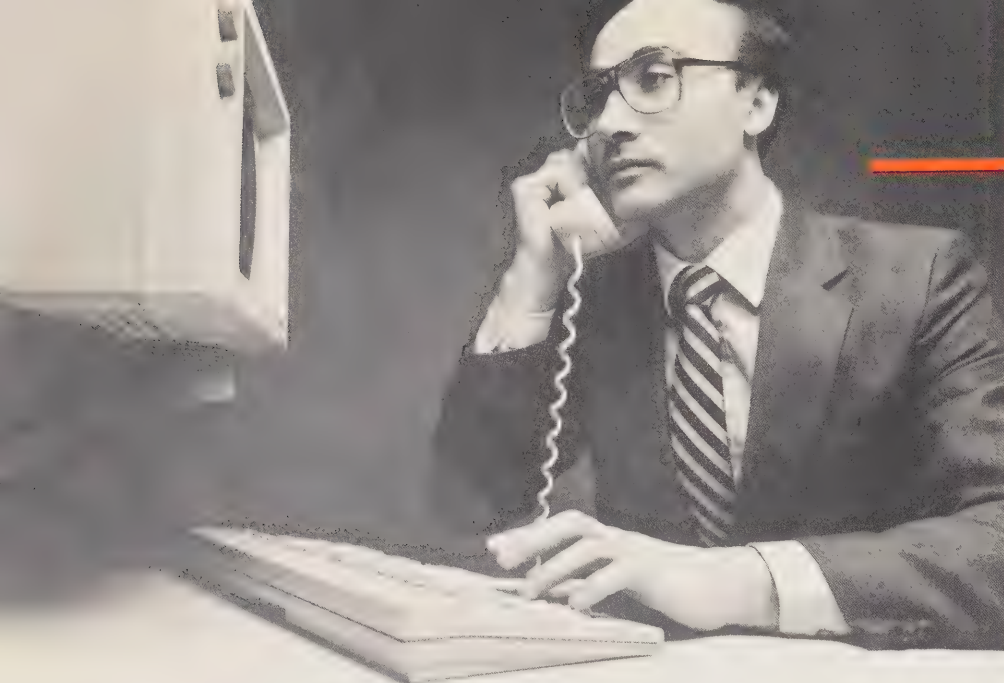
In addressing the Board's administrative practices and structure, as well as a variety of benefits to injured workers, Bill 101 contains the most sweeping changes to workers' compensation in this province since the Workers' Compensation Act came into effect in 1915.

Aspects of the amended Act which relate to coverage and benefits are effective April 1, 1985, while changes which involve the administration of the Board will come into effect at a later date. I should emphasize, however, that preparations for these changes were well under way at the Board by the latter half of 1984 and, in some respects, even prior to 1984.

The process which led to the passage of Bill 101 was both lengthy and thorough, and began long before the commencement of 1984. The Bill is, in fact, the distillation of a review process which began in earnest with a commissioned report by Professor Paul C. Weiler, entitled *Reshaping Workers' Compensation for Ontario*, to the Honourable Robert G. Elgie, then Minister of Labour, in November, 1980.

Weiler's report, and the subsequent white paper and draft legislation based on his 21 proposals, were released for discussion in June, 1981. A year later, these reports were referred by the Ontario legislature to the Standing Committee on Resources Development for consideration.

Outcome of extensive review and discussion with all parties concerned



Improving the Board's service to its clients

prepare the internal mechanisms necessary to ease transition to a new workers' compensation system in 1985.

By means of internal task forces and committees struck in 1984 and earlier, the Workers' Compensation Board has readied itself for a smooth transition — without disruption of service or decrease in momentum — to the demands it knew would be placed on it by provisions of the Bill. Just one example of this was the committee charged with adapting the Board's complex computer system to the projected new method of calculating benefits to injured workers.

Under Bill 101, there are six major provisions with respect to the administration, structure and scope of workers' compensation coverage: the Board's Corporate Board will be expanded to include a majority of external, part-time directors; an independent, tripartite appeals tribunal will be established to replace the Board's internal appeal board and will be advised by independent medical practitioners in certain cases; an industrial disease standards panel will be created to provide expert advice to the Board concerning the criteria for compensating workers for industrial diseases; the office of the worker adviser will be expanded and a new office of the employer adviser created, both of which will report to the Minister of Labour rather than to the Board; for the first time, domestic workers will be covered under the Act; and

Many interested groups and individuals across the province representing employers, organized labour, injured workers, the health care and legal communities, and the general public, among others, presented briefs to this committee, which was charged with making recommendations to the legislature.

The Standing Committee's final report was tabled in the Ontario legislature in December, 1983. *Bill 101, An Act to amend the Workers'*

Compensation Act, was introduced in the legislature by the Minister of Labour, the Honourable Russell H. Ramsay, on June 12, 1984.

Further public hearings, as well as clause-by-clause studies of the Bill by both the Standing Committee and the Committee of the Whole House were to follow before Bill 101 was passed into law six months later.

The provisions of Bill 101 are, properly, the subject of the Board's 1985 annual report, in that benefit and administrative changes take effect during that year. I mention the history of these changes now, however, in order to demonstrate that the Board has kept abreast of proposed amendments, and has used the intervening period to



The Board has readied itself for a smooth transition

employers will be required to pay the injured worker normal wages and benefits for the day of injury, in cases where compensation is payable for loss of earnings.

With respect to workers' compensation benefits, the ceiling on covered earnings will increase from the current \$26,800 to \$31,500; workers will receive 90 per cent of their net wages instead of the current 75 per cent of gross earnings in the event of a disabling injury or disease; there will be substantially improved benefits for survivors of workers who die as a result of a work-related injury or disease; and there will be a provision for inflation adjustment of pre-injury earnings in computing supplementary benefits for partially disabled workers.

In addition, Section 86s. of the amended Workers' Compensation Act provides that "Services under this Act shall, where appropriate, be made available in the French language."

Expansion of French language services



Well before Bill 101 was passed, the Board was aware of the Ontario government's intention to ask us to expand our already extensive French language capabilities. In response to this, and in keeping with the changing needs of Ontario's working community, the Board commenced a thorough examination of its French language services in 1984.

By year's end, the Board had initiated the conversion process of many of its more than 3,000 forms and form letters to an English/French format, to the extent that some 1,000 forms will be bilingual by the fall of 1985. The identification of staff positions at the Board requiring bilingual skills was also commenced, and plans were developed for a new French translation bureau, to be introduced in 1985.

It is evidence of the Board's commitment to expanding French language services to its client public that



all new Board publications are now being introduced in French and English, including, for the first time, this annual report.

Another noteworthy initiative at the Workers' Compensation Board in 1984 was the creation of the Occupational Health and Safety Education Authority and the Joint



Policy Review Board, which are responsible for administering the Board's occupational health and safety education program through the various delivery agencies — which, at present, include the nine safety associations and the Ontario Federation of Labour.

Occupational Health and Safety Education Authority established

The Occupational Health and Safety Education Authority (OHSEA), which was implemented on July 1, 1984, replaces the Board's Safety Education Division, and has assumed its functions as well as other responsibilities. In addition, the OHSEA advises the Board on matters pertaining to occupational health and safety education in Ontario. It annually reviews the programs and budgets of the nine

provincial safety associations, and is responsible for their administration.

The OHSEA has also been given responsibility for developing new occupational health and safety education programs and for ensuring their effective implementation. In short, introduction of the OHSEA at the Board is a major step towards rationalizing the delivery of occupational health and safety education programs by the provincial safety associations, for which the Board provides funding.

The Joint Policy Review Board is composed of 12 members — six from labour and six from management — chosen for their knowledge of occupational health and safety education. It acts as a forum for management and labour to address problems concerning occupational health and safety education, and makes recommendations to the OHSEA.

The Occupational Health and Safety Education Authority and the Joint Policy Review Board provide labour and management with a meaningful role at every level of the occupational health and safety education structure. The OHSEA's tripartite administrative framework consists of one administrator from labour, one administrator from management, and a chairperson acceptable to both parties.

The Workers' Compensation Board is very aware of the significant contributions of the safety associations to accident prevention in this province. I know that the important work of the OHSEA and the Joint Policy Review Board will be conducted in the same spirit of consultation and co-operation which has always characterized the working relationship between the Board and these associations.

For a number of years, the Board has worked with industry, the safety associations, and Professor Paul Weiler in order to improve the system through which employers' assessment charges better reflect their compensation costs and accident frequency. This system, known as experience rating, rewards firms with accident records better than the norm and penalizes firms with poor records. By doing so, experience rating promotes accident prevention and the rehabilitation of injured workers, and places a larger portion of the compensation system's costs on those who cause them to rise — firms with poor accident records.

How to apply experience rating fairly and equitably is a problem which was extensively examined by actuaries at the Board during 1984. As a result, the Board agreed to a new experimental experience rating plan (NEER), the basic principles of which were developed by the Ontario Forest Industry Association and its actuary.

NEER is a more complex version of CAD-7, the experience rating plan for the construction industry's rate groups. CAD-7 generated its first refunds and surcharges (25,762 of them in total) in October, 1984.

In brief, a central feature of the new experimental experience rating plan is that it is based on the expected eventual cost of a year's accidents (including a charge for such indirect costs as services). It protects firms, particularly small firms, from the full cost of expensive claims. It immediately reflects a company's current safety and rehabilitation efforts, by changing its initial assessment charge. It also provides retrospective refunds and surcharges. The plan can be phased in over five years in order to moderate initial reductions and increases in assessment charges.

NEER is available to any rate group, provided that the rate group's trade association, or its equivalent, reviews the plan in detail, formally requests the plan's introduction, and obtains a Board order to include the rate group in the plan.

It is the Board's belief that this new, sophisticated plan does much to support our efforts in encouraging employers not only to become safety conscious but to continuously implement better methods of reducing injuries and rehabilitating injured workers.

Anyone who works in an office today will understand that computerization of office processes is the way of the future. In 1984, the Board took a major step towards further computerization of some of its programs by creating a new division, known as Management Information Services.

With a broader mandate, this division replaces the Board's Information Systems Development and Processing Division. Its purpose is to assist the Board along its course to becoming a state-of-the-art user of modern computer technology, which will in turn improve the efficiency of our service to the working men and women of this province.

There is no doubt that improved and expanded use of this technology by the Board will have a significant impact on the productivity of Board staff and, most important, on the effectiveness and timing with which we serve injured workers and employers across Ontario.

Among other things, it will improve the access of Board staff to claim files and up-to-date information concerning Board policies and procedures. In the long run, this will further reduce the potential for human error which is possible in any decision-making process and will decrease the processing time for uncomplicated claims.

In 1984, this new division of the Board completed a five-year strategic plan for the phasing in of new technology, and launched several projects which have been designed to meet that goal. Major studies were also under way to evaluate available alternatives in office management systems and in the new technology of data processing.


These, then, are among the more important highlights of 1984 at the Workers' Compensation Board.

The many important developments which took place during the year, however, in no way diminish the equally important, ongoing work of Board employees who are daily involved in adjudicating claims, providing health care and related benefits, rehabilitating injured workers, supervising financial aspects of the system, encouraging

*Office technology improves
effectiveness and timing
of Board services*

a safer workplace, and performing the myriad of other functions involved in administering the Workers' Compensation Act.

Indeed, the rest of this annual report is devoted to a summary of that valuable work. It is also testimony to the Board's continuing commitment to providing the province's injured workers and employers with the best possible compensation system.


Lincoln M. Alexander, P.C., Q.C.
Chairman,
Workers' Compensation Board

CLAIMS RESPONSE TIMES, 1984-1982*

UNCOMPLICATED CLAIMS (Instituted on employer's report)

| % of claims paid within... | 1984 | 1983 | 1982 |
|----------------------------|------|------|------|
| 3 work days | 96.8 | 96.1 | 95.7 |
| 4 work days | 97.8 | 97.9 | 98.7 |
| 5 work days | 98.8 | 98.5 | 99.2 |

CLAIMS INSTITUTED ON DOCTOR'S FIRST REPORT (Requiring additional reports from employer/employee)

| % of claims paid within... | 1984 | 1983 | 1982 |
|----------------------------|------|------|------|
| 10 work days | 89.7 | 92.9 | 60.6 |
| 20 work days | 98.1 | 98.4 | 86.1 |
| 30 work days | 99.1 | 99.4 | 94.9 |

COMPLICATED CLAIMS (Needing inquiries or full field investigations)

| % of claims paid within... | 1984 | 1983 | 1982 |
|----------------------------|------|------|------|
| 10 work days | 36.8 | 36.8 | 36.0 |
| 20 work days | 65.9 | 66.6 | 67.5 |
| 30 work days | 84.0 | 84.3 | 82.0 |

* A comparison over three years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.

NOTE: Claims excluded from these charts:

- 1) claims in which there was a change in status from "no-lost time" to "lost-time";
- 2) hernia claims;
- 3) industrial disease claims.

The Board is responsible for ensuring that injured workers receive all the benefits to which they are entitled under the Workers' Compensation Act. This involves the adjudication of claims for work-related injuries and diseases, and compensation to workers for time off work and permanent disability.

New claims across the province in 1984 increased by a significant 12.8 per cent, to 388,845 claims from 344,758 new claims in 1983. Much of this increase can be attributed to the recovery in some of Ontario's major blue-collar industries

during 1984, which resulted in increased employment levels.

Of total new claims in 1984, 44.2 per cent (172,002) were accepted as lost-time claims, involving time off work and compensation payments. Another 49.6 per cent (192,919) were accepted as no lost-time claims, for accidents which necessitated medical treatment but no time off work beyond the day of the accident. Allowed fatal claims by year of death in 1984 totalled 203.

New permanent disability pensions awarded to workers during 1984 increased to 20,962, compared with 17,880 the previous year. This figure includes pensions for life as well as lump sums, provisional awards, and awards increased after reevaluation. A total of 4,814 new temporary supplementary awards were made and 4,033

supplementary awards were extended or increased. The number of injured workers' active pensions on file at the end of the year was 91,392, compared with 82,889 in 1983.

Any claim in which a claims adjudicator recommends denial or limitation of entitlement, and any objections to a decision, are automatically referred for independent review by the Board's Claims Review Branch. In 1984, there were 30,999 such referrals, an increase of 37.2 per cent over 1983 (22,596 claims). Claims adjudicators' recommendations were confirmed in 57.1 per cent of claims. In the remainder, recommendations were either reversed or additional inquiry was requested. This is the first step in a comprehensive system of claims reexamination, through which the Board ensures fair and just decisions.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's preexisting or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and health care benefit costs transferred to SIEF in 1984 totalled \$156,172,643, or 17.4 per cent of total Schedule 1 awards, up from \$131,258,846 in 1983.

A new telephone system introduced at the Board's Toronto head office in 1984 provided the client public with more effective and responsive service, including direct access to the claims adjudicator responsible for a particular claim. The number of computer terminals available to claims adjudicators in the continuing disability claims section was increased, providing immediate access to claims information and improved processing of payments.

The function of the Board's appeals system is to hear and decide appeals of Board decisions. Any claim in which denial or limitation of entitlement is recommended, or any objections to a decision, can be taken to one of two levels in the appeals process. At the first level, an appeals adjudicator reviews the claim and may decide the appeal on the basis of the information on file, call a hearing before an appeals adjudicator, or refer the appeal to the second step of the system, which is a hearing by an appeal board of three commissioners.

Appeals adjudicators held 3,692 hearings in 1984, a 16.4 per cent increase over 1983. Appeal boards held 1,199 hearings, up 8.5 per cent from the previous year.

During 1984, appeals adjudicators allowed or partially allowed 49.4 per cent of appeals decided. Appeal boards allowed or partially allowed 33.7 per cent of appeals decided.

To facilitate the preparation of an appeal, injured workers or their representatives may request photocopies of their claim files when a disputable issue exists. Employers have the right of access only to those records which the Board deems relevant to the issue in dispute. Access to claim files totalled 10,094 in 1984, a 31.1 per cent increase over 1983.

VOLUME AND TYPE OF CLAIMS ALLOWED, 1984-1983
(with percentage of total claims reported)

| | 1984 | | 1983 | | % CHANGE 1984-1983 |
|---|-------------------------|--|-------------------------|--|-----------------------|
| Allowed lost-time claims | 172,002 (44.2%) | | 147,666 (42.8%) | | +16.5% |
| Allowed no lost-time claims | 192,919 (49.6%) | | 175,871 (51.0%) | | + 9.7% |
| Denied claims | 20,343 (5.2%) | | 16,989 (4.9%) | | +19.7% |
| Other (including withdrawn or pending claims) | 3,581 (1.0%) | | 4,232 (1.3%) | | -15.4% |
| Total claims reported | 388,845 (100.0%) | | 344,758 (100.0%) | | +12.8% |

Workers' Compensation
Board staff monitor the medical care of injured workers across the province and advise on treatment, assess and pay health care benefit accounts and related expenses, and provide medical opinions to assist in the adjudication of individual claims.

The total number of claim files examined by the Board's medical advisers in 1984 increased by 4.5 per cent, to 144,079 from 137,828 in 1983. Industrial disease consultants reviewed a significant 40.6 per cent more claim files than in the year before (15,389 files, compared with 10,943 in 1983).

The Health Care Benefits Branch (renamed from the Medical Aid Branch in 1984) paid out \$128,590,833 with respect to health care benefit accounts and related expenses, an increase of

13.9 per cent over 1983. A total of 2,814,961 individual service items were paid for with respect to the treatment of injured workers, up 26.0 per cent from the previous year.

Home modifications were arranged for 145 injured workers who, because of severe disability, required modifications to their home in order to continue living there.

Total admissions to the Board's 522-bed Downsview Rehabilitation Centre increased marginally in 1984, to 11,794 from 11,434 in 1983, or an increase of 3.1 per cent. The number of patients who completed the full-treatment program totalled 6,944, up 6.5 per cent from 6,520 the previous year.

Of the 6,944 patients who completed the full-treatment program at the Centre, 5,731 were medically fit to return to work, a success rate of 82.5 per cent in these complicated cases.

A new treatment concept initiated at the Downsview Rehabilitation Centre in 1984, and gradually implemented, involved the early admission of patients within six months of injury. This program was preceded by a successful pilot project in which early back patients were admitted within six months of their injury.

Among special clinics at the Centre, admissions to the hand clinic increased by 12.5 per cent, to 955 injured workers in 1984. Admissions to and consultations by the neurological clinic totalled 616.

Transcutaneous electrical nerve stimulator (TENS) units, used by patients to control certain types of chronic pain, were prescribed in 1,585 cases at the Centre, a 32.5 per cent increase over 1983.

Medical Services staff, often in conjunction with independent researchers, are involved in numerous research projects, some of which were completed during 1984 — including a study of electrically-powered prostheses for adults with an upper-limb amputation, and a review of factors influencing rehabilitation and employment patterns among industrial amputees. Major studies were also under way on the subject of knees, the hand, and burns.

The Workers' Compensation Board is charged with facilitating the return of injured workers to gainful employment and a place in the community, through the provision of high quality service and effective vocational rehabilitation measures.

A total of 7,633 injured workers across Ontario were referred for comprehensive vocational rehabilitation services in 1984, down 6.1 per cent from 8,126 in 1983. Of the 7,633 referred, 5,560 workers were referred for the first time, and an additional 2,073 cases were reopened.

Rehabilitation staff at the Board throughout Ontario were instrumental in rehabilitating 4,410 injured workers, up 10.8 per cent from the 3,981 workers rehabilitated in 1983. Of the 4,410 injured workers, 3,714 were returned to work and an additional 696, who will not be returning to employment, were assisted in achieving financial self-sufficiency. At year-end, 8,279 cases remained active.

A total of 4,820 job opportunities for rehabilitated workers were secured by Board staff in 1984, an increase of 13.8 per cent over the previous year. To assist in this effort, employment blitzes, involving a concentrated search for job opportunities in a specific area, were conducted in 11 urban centres across the province during 1984.

Assessments of injured workers were arranged in 3,837 cases, in order to help identify their working capacity.

A total of 2,654 training programs for injured workers were commenced in 1984, up 10.6 per cent from 1983. These include training on-the-job, technical, academic upgrading, and post-secondary programs.

In 1984, the level of service to injured workers was enhanced by initiating new counselling guidelines and a counselling services model. These measures are designed to ensure a consistently high standard of service delivery to our clientele.

Work in the area of ergonomics was considerably expanded in 1984, with staff expertise and qualifications upgraded in this field. The Board can provide ergonomic work-site analysis to employers in order to assist them in designing and/or altering their workplace to better accommodate injured workers.

For the past several years, the Board has worked closely with organized labour in the rehabilitation of injured workers. This work continued to expand in 1984. In addition to the support already received from the Ontario Federation of Labour, 83 labour locals have officially endorsed the Board's rehabilitation program to date.

In addition to the Board's Toronto head office and the Metro Toronto Information Centre, there are 12 Board offices across the province to serve Ontario's working community. Ten of these are area and information service offices, which provide counselling, obtain information required in individual claims, and answer inquiries regarding the status of claims. The Board's two regional offices, in London and Sudbury, adjudicate claims from their respective regions and provide vocational rehabilitation, health care benefits, revenue and medical advisory services.

Of a total of 388,845 new claims reported to the Board province-wide in 1984, 25,198 and 15,661 new claims were reported to the London and Sudbury offices respectively, or an average of 82 claims each working day.

Health care benefit payments processed by the Board's two regional offices in 1984 totalled 203,627, up 18.4 per cent from 1983.

Vocational rehabilitation payment processing became decentralized in the London and Sudbury regional offices in 1984.

A feasibility study on the decentralization of pension activities in the regional offices was also commenced and is still in progress.

Visiting counselling services were regularly scheduled in 11 communities province-wide which are not easily accessible to one of the Board's area and information service offices.

LOST-TIME CLAIMS BY NATURE OF INJURY/ILLNESS, 1984*

| OCCUPATIONAL INJURY | CLAIMS | % OF TOTAL CLAIMS |
|-------------------------------------|----------------|-------------------|
| Sprains, strains | 79,421 | 46.2 |
| Contusions — intact skin | 35,115 | 20.4 |
| Cuts, lacerations, open wounds | 21,813 | 12.7 |
| Fractures | 7,718 | 4.5 |
| Scratches, abrasions | 5,169 | 3.0 |
| Burns, scalds (heat) | 3,927 | 2.3 |
| Hernia, rupture | 1,615 | 0.9 |
| Multiple injuries | 1,140 | 0.7 |
| Dislocation | 595 | 0.4 |
| Amputation | 541 | 0.3 |
| OCCUPATIONAL ILLNESS | | |
| Hearing loss or impairment | 1,162 | 0.7 |
| Chemical burns | 1,100 | 0.6 |
| Ultraviolet rays, welders' flash | 750 | 0.4 |
| Tenosynovitis | 737 | 0.4 |
| Fume toxicity, smoke inhalation | 682 | 0.4 |
| Dermatitis | 612 | 0.4 |
| OTHER INJURIES AND ILLNESSES | 9,905 | 5.7 |
| TOTAL | 172,002 | 100.0 |

* The distribution of lost-time claims by nature of injury/illness is somewhat different in 1984 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

LOST-TIME CLAIMS BY PART OF BODY INJURED, 1984*

| PART OF BODY | CLAIMS | % OF TOTAL CLAIMS |
|---------------|----------------|-------------------|
| Back | 46,630 | 27.1 |
| Finger(s) | 19,502 | 11.3 |
| Ankle | 9,104 | 5.3 |
| Leg, multiple | 7,725 | 4.5 |
| Shoulder(s) | 7,459 | 4.4 |
| Eye(s) | 7,017 | 4.1 |
| Hand | 6,937 | 4.0 |
| Knee | 6,448 | 3.7 |
| Abdomen | 6,383 | 3.7 |
| Wrist | 6,014 | 3.5 |
| Toe(s) | 5,582 | 3.2 |
| Forearm | 4,289 | 2.5 |
| Chest | 3,814 | 2.2 |
| Upper arm | 2,713 | 1.6 |
| Elbow | 2,520 | 1.5 |
| Other | 29,865 | 17.4 |
| TOTAL | 172,002 | 100.0 |

* The distribution of lost-time claims by part of body injured is somewhat different in 1984 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

Staff of the Board's regional, area and information service offices participated in more than 200 speaking engagements in the community during 1984. Staff

from various divisions of the Board's Toronto head office were also involved in many speaking engagements throughout the year.

LOST-TIME CLAIMS BY OCCUPATION, 1984

| OCCUPATION | CLAIMS | % OF TOTAL CLAIMS |
|--|----------------|-------------------|
| Production, fabrication, assembly, repair | 26,667 | 15.5 |
| Service | 19,736 | 11.5 |
| Construction trades | 15,566 | 9.0 |
| Machining and related occupations | 14,529 | 8.4 |
| Transportation operating | 12,907 | 7.5 |
| Processing | 12,414 | 7.2 |
| Clerical and related occupations | 10,387 | 6.0 |
| Materials handling | 10,272 | 6.0 |
| Medicine and health | 6,589 | 3.8 |
| Sales | 5,212 | 3.0 |
| Farming | 3,229 | 1.9 |
| Mining, quarrying, including oil and gas field occupations | 1,838 | 1.1 |
| Other crafts and equipment operators | 1,814 | 1.1 |
| Forestry, logging | 1,495 | 0.9 |
| Teaching and related occupations | 1,256 | 0.7 |
| Architects, engineers, technicians, surveyors | 1,032 | 0.6 |
| Social work, social sciences and related occupations | 812 | 0.5 |
| Managerial, administrative and related occupations | 714 | 0.4 |
| Artistic, literary, recreational | 328 | 0.2 |
| Fishing, hunting, trapping | 40 | 0.0 |
| Religion | 3 | 0.0 |
| Other occupations | 25,162 | 14.7 |
| TOTAL | 172,002 | 100.0 |

The Occupational Health and Safety Education Authority (OHSEA) was established by the Board in 1984 to oversee its occupational health and safety education policy and programs. The Authority replaces the Board's Safety Education Division and is supported by the Joint Policy Review Board.

Through the OHSEA, the Board administers first aid regulations under the Workers' Compensation Act. In 1984, more than 24,000 workers across Ontario received standard first aid training at Board expense.

The OHSEA welcomed the Canadian Red Cross in 1984 as an authorized agent for training workers in first aid under the Board's program. This will assist employers in obtaining first aid training through the Board and in complying with first aid regulations.

In co-operation with other areas of the Board, the OHSEA completed the development of a computer system in 1984 which will provide more effective data and meet the Authority's commitment to filling the information needs of the safety associations. Procedures and policies governing the relationship between the OHSEA and the safety associations with respect to information systems were also published.

The Board draws on two primary sources of revenue to fund its many services. The vast majority of funds come from annual assessments on the province's employers, while the balance is drawn from revenue-generating investments.

Assessment income in 1984 rose to \$1.06 billion from \$789 million in 1983, an increase of 34.3 per cent.

Assets in 1984 rose to \$2.16 billion from \$1.97 billion in 1983, an increase of 9.6 per cent.

The estimated payroll reported by Schedule 1 employers increased to \$48.4 billion in 1984, from \$41.8 billion the previous year.

The maximum earnings level for computing workers' compensation was raised on July 1, 1984 from \$25,500 to \$26,800. The maximum payroll ceiling for assessment purposes remained at \$25,500 per employee throughout 1984.

The number of employers across Ontario covered under Schedule 1 of the Workers' Compensation Act grew to 168,000 from 164,000 in 1983, up 2.4 per cent.

In 1984, the Board's net investment income increased to \$176.2 million from \$166.9 million. The running yield on the long-term portfolio continued to improve, rising to 11.0 per cent from 10.90 per cent in 1983. At the same time, accident fund investments (valued at amortized cost adjusted for accumulated unamortized net losses) grew to \$1.70 billion from \$1.66 billion in 1983.

Assessing Financial Requirements

In order to ensure the orderly and equitable funding of the workers' compensation system, actuaries evaluate the Board's long-term liabilities and recommend pricing policies. The evaluation and pricing are based on an analysis of historical and current trends.

A total of 18 per cent of 1984 assessment charges was invested in Schedule 1 Accident Fund assets.

The utilization of Ontario's workers' compensation system has continued to expand. In 1984, the real cost of claims increased by 7 per cent. The major source of this trend continues to be the new permanent disability awards.

The Schedule 1 average annual assessment per worker in 1984 was \$400. This average is based on 108 rate groups, which span a wide variety of Ontario's industries. It is bounded by a low of \$48 per worker and a high of \$6,300 per worker. The estimated average for 1985 is \$467, an average increase of almost 17 per cent.

CHANGES IN THE ACCIDENT FUND INVESTMENT PORTFOLIO, 1984-1982 (percentage of total)

| | End of 1984 % | End of 1983 % | End of 1982 % |
|-----------------------|------------------|------------------|------------------|
| Long-term bonds | 64.5 | 63.1 | 63.5 |
| Mortgages | 23.4 | 24.7 | 26.0 |
| Short-term securities | 12.1 | 12.2 | 10.5 |

The average rate of assessment for every hundred dollars of assessable payroll in 1984 was \$2.17, on a maximum payroll ceiling of \$25,500 per worker.

The unfunded liability for the year ending 1984 was \$2.7 billion. A full provision for future cost-of-living increases would add another \$2.7 billion. This potential \$5.4 billion unfunded liability can be paid off over 30 years at a real annual cost of \$96 per worker.

Experience rating refines the allocation of assessment charges to industry and, in 1984, reallocated 10 per cent of assessment charges among those employers participating in experience rating plans.

Commitment to Women and Equal Opportunity

The Human Rights and Equal Opportunity Program reflects, among other things, the Board's continuing commitment to facilitating the progress of women and the disabled within employment at the Board.

In 1984, women's representation increased at all levels of the Board's non-bargaining unit management and senior administrative salary range. Women held 31.0 per cent of positions at the middle management level, up 3.3 per cent over 1983, and 14.6 per cent of positions at the senior management level, up 19.7 per cent.

In 1984, seven significant breakthroughs occurred in the Board's management and senior administrative salary range. These included the appointment of women, for the first time, to the positions of executive assistant to the Chairman, and manager, records identification and registration services.

Focus on the Board's equal opportunity for the handicapped program continued during 1984, as 17 Board employees were provided with workplace modifications and technical aids to assist them in fulfilling the requirements of their job.

The implementation of an outreach employment program, together with the Board's special placement program, resulted in the permanent placement of 11 employees with disabilities.

Workers' Compensation Board offices are located throughout Ontario to serve you.

Head Office

Toronto

2 Bloor Street East
Toronto, Ont. M4W 3C3
(416) 927-9555

Metro Toronto Information Centre

1382 St. Clair Avenue West
Toronto, Ont. M6E 1C6
(416) 965-8864

Regional Offices

London

200 Queens Avenue
London, Ont. N6A 1J3
(519) 663-2331

Sudbury

30 Cedar Street
Sudbury, Ont. P3E 1A4
(705) 675-9301

Area and Information Service Offices

Hamilton

Plaza Level
Standard Life Centre
2 King Street West
Hamilton, Ont. L8P 1A1
(416) 523-1800

Kingston

1055 Princess Street
Room 303
Kingston, Ont. K7L 5T3
(613) 544-9682

Kitchener/Waterloo

153 Frederick Street
Kitchener, Ont. N2H 2M1
(519) 576-4130

North Bay

189 Wyld Street, Box 3190
North Bay, Ont. P1B 1Z2
(705) 472-5200

Ottawa

350 Sparks Street
Room 206
Ottawa, Ont. K1R 7S8
(613) 238-7851

Sault Ste. Marie

421 Bay Street
Third Floor
Sault Ste. Marie, Ont.
P6A 1X3
(705) 942-3002

St. Catharines

282 Linwell Road
Room 120
St. Catharines, Ont.
L2N 6N5
(416) 937-2020

Thunder Bay

1265 Arthur Street East
Room 407
Thunder Bay, Ont. P7E 6E7
(807) 623-4545

Timmins

273 Third Avenue
Room 204, Box 1142
Timmins, Ont. P4N 1E2
(705) 267-6427

Windsor

787 Ouellette Avenue
Windsor, Ont. N9A 4J4
(519) 256-3461

Long-distance callers are able to contact Board offices free of charge. For toll-free numbers, consult your local telephone directory.

Financial Statements

WORKERS' COMPENSATION BOARD FINANCIAL STATEMENTS

Year Ended December 31, 1988

Contents

| | |
|--|----|
| Auditor's Opinion | 16 |
| Consulting Actuary's Report | 17 |
| Balance Sheet – Schedule 1 Accident Fund | 18 |
| Statement of Income, Expenses and Unfunded Liability – Schedule 1 Accident Fund | 18 |
| Balance Sheet – Schedule 2 | 19 |
| Statement of Changes in Net Deposits – Schedule 2 | 19 |
| Notes to the Financial Statements | 20 |
| Schedule 1 Accident Fund – Accident Prevention Expenses by Category and Safety Association | 23 |
| Schedule 1 Accident Fund – Administration Expenses | 23 |

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND FINANCIAL STATEMENTS

Year Ended December 31, 1988

Contents

| | |
|--|----|
| Auditor's Opinion | 24 |
| Balance Sheet | 25 |
| Statement of Transactions and Fund Balance | 25 |
| Notes to the Financial Statements | 26 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheets – Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board as at December 31, 1984 and the statements of income, expenses and unfunded liability – Schedule 1 Accident Fund and of changes in net deposits – Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances; the estimated present value of future payments to existing Schedule 1 claimants was determined by the Board's Actuary and reviewed by an independent consulting actuary.

In my opinion, based on my examination and the report of the independent consulting actuary, these financial statements present fairly the financial position of the Board as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting principles set out in Note 1 to the financial statements, applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in cursive script, reading "D. F. Archer".

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
April 30, 1985.

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the
Schedule 1 Accident Fund of the Workers' Compensation Board of Ontario as at
December 31, 1984

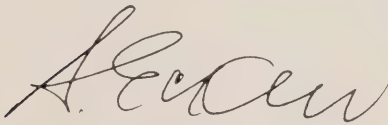
The estimated present value of future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1984 in the amount of \$4.83 billion has been determined by the Board's Staff Actuary, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1984. However, as in previous valuations, a partial provision has been made for potential future legislated increases in the covered earnings ceiling and the level of pensions in response to inflation similar to the increases made in recent years. This partial provision was made by using an assumed rate of investment return lower than the rate which would have been used based solely on the yields on the Board's current and future investments. We estimate that this partial provision amounts to \$0.85 billion which is included in the present value of \$4.83 billion referred to above.

The present value also includes an amount of \$0.09 billion which is the estimated present value of additional payments resulting from the amendments to the Act contained in Bill 101. Although it was necessary to use a number of approximations in estimating this amount, the effect of these approximations is not material for the purposes of the valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns and economic factors.

In our opinion, which includes the foregoing comments, the amount of \$4.83 billion as at December 31, 1984 makes reasonable provision for future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1984.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of
Eckler Partners Ltd.

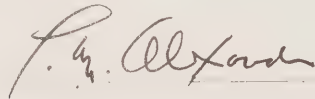
May 15, 1985.

STATEMENT OF ASSETS AND LIABILITIES

| ASSETS | 1984 | (\$000's) | 1983 |
|---|---------------------|-----------|---------------------|
| Cash | \$ 2,619 | | \$ 969 |
| Investments (Note 3) | 1,704,911 | | 1,656,331 |
| Other assets (Note 4) | 437,521 | | 291,666 |
| Land, buildings and equipment (Note 5) | 18,525 | | 20,232 |
| | <u>\$ 2,163,576</u> | | <u>\$ 1,969,198</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges (Note 6) | \$ 44,051 | | \$ 44,513 |
| Estimated present value of future payments to existing Schedule 1 claimants | 4,830,000 | | 3,950,000 |
| | <u>\$ 4,874,051</u> | | <u>\$ 3,994,513</u> |
| Unfunded liability | (2,710,475) | | (2,025,315) |
| | <u>\$ 2,163,576</u> | | <u>\$ 1,969,198</u> |

Approved by the Board

Chairman



Vice-Chairman of Administration and General Manager



STATEMENT OF INCOME, EXPENSES AND UNFUNDED LIABILITY

| INCOME | 1984 | (\$000's) | 1983 |
|---|----------------------|-----------|----------------------|
| Assessments and penalties (net of uncollectible assessments 1984 - \$21,259; 1983 - \$20,535) | \$ 1,048,569 | | \$ 783,518 |
| Investment income (Note 8) | 176,226 | | 166,853 |
| | <u>\$ 1,224,795</u> | | <u>\$ 950,371</u> |
| EXPENSES | | | |
| Benefits (Note 9) | \$ 879,354 | | \$ 772,064 |
| Provision for increase in estimated present value of future payments to existing claimants | | | |
| Current | 276,000 | | 293,000 |
| Legislative amendments (Note 10) | 254,000 | | 147,000 |
| Partial provision for future legislative amendments (Note 11) | 350,000 | | 200,000 |
| Accident prevention | 28,981 | | 26,462 |
| Administration | 93,114 | | 83,294 |
| Medical and rehabilitation services | 21,441 | | 19,315 |
| Mine rescue | 828 | | 768 |
| Occupational health and safety | 6,237 | | 5,670 |
| | <u>\$ 1,909,955</u> | | <u>\$ 1,547,573</u> |
| Excess of expenses over income | \$ (685,160) | | \$ (597,202) |
| Unfunded liability, beginning of year | (2,025,315) | | (1,428,113) |
| Unfunded liability, end of year | <u>\$(2,710,475)</u> | | <u>\$(2,025,315)</u> |

BALANCE SHEET - SCHEDULE 2

December 31, 1984

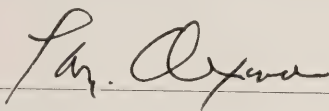
| ASSETS | 1984 | ((\$000's)) | 1983 |
|--|-----------------|--------------------|-----------------|
| Cash | \$ 175 | | \$ 50 |
| Investments | 7,772 | | 7,888 |
| Administration expenses recoverable (Note 7) | 10,443 | | 9,241 |
| Interest and other receivables | 172 | | 131 |
| | \$18,562 | | \$17,310 |

LIABILITIES

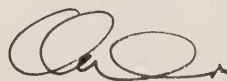
| | | | |
|-------------------|-----------------|--|-----------------|
| Due to Schedule 1 | \$ 7,523 | | \$ 7,442 |
| Net deposits | 11,039 | | 9,868 |
| | \$18,562 | | \$17,310 |

Approved by the Board

Chairman



Vice-Chairman of Administration and General Manager

**STATEMENT OF CHANGES IN NET DEPOSITS - SCHEDULE 2**

Year Ended December 31, 1984

| INCREASE IN DEPOSITS | 1984 | ((\$000's)) | 1983 |
|-------------------------------|-----------------|--------------------|-----------------|
| Reimbursements from employers | | | |
| Benefits | \$75,215 | | \$65,904 |
| Administration costs | 12,023 | | 10,632 |
| Investment income | 818 | | 738 |
| | \$88,056 | | \$77,274 |

DECREASE IN DEPOSITS

| | | | |
|-------------------------------------|-----------------|--|-----------------|
| Benefits to workers | | | |
| Compensation | \$31,189 | | \$27,603 |
| Health care | 12,334 | | 10,766 |
| Rehabilitation | 1,129 | | 783 |
| Pensions | 30,210 | | 27,547 |
| Administration costs | 12,023 | | 10,632 |
| | \$86,885 | | \$77,331 |
| Increase (Decrease) in net deposits | \$ 1,171 | | \$ (57) |
| Net deposits, beginning of year | 9,868 | | 9,925 |
| Net deposits, end of year | \$11,039 | | \$ 9,868 |

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold or 20 years. Short-term investments are carried at cost.

Market values of investments are not disclosed as the Board's policy is generally to hold them to maturity.

Land, buildings and equipment

Land, buildings, equipment, leasehold improvements and motor vehicles are stated at cost. Buildings, equip-

ment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Equipment purchases with a unit cost of \$1,000 or less and leasehold improvements with a unit cost of \$5,000 or less are expensed.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Estimated present value of future payments to existing Schedule 1 claimants

The estimated present value of future payments to existing Schedule 1 claimants is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

2. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where the employers are individually

liable to pay compensation, health care, rehabilitation costs and pensions.

3. INVESTMENTS

| | 1984 | ((\$000's)) | 1983 |
|---|-------------|-------------|-------------|
| Bonds | \$1,081,502 | | \$1,023,252 |
| Mortgages | 392,656 | | 408,136 |
| | \$1,474,158 | | \$1,431,388 |
| Unamortized portion of realized losses, net of gains, on sale of investments | 27,045 | | 22,609 |
| | \$1,501,203 | | \$1,453,997 |
| Short-term | 203,708 | | 202,334 |
| | \$1,704,911 | | \$1,656,331 |

4. OTHER ASSETS

| | 1984 | ((\$000's)) | 1983 |
|----------------------------------|-----------|-------------|-----------|
| Accrued investment income | \$ 34,301 | | \$ 31,677 |
| Accrued assessment income | 120,000 | | 35,000 |
| Assessment and other receivables | 275,697 | | 217,547 |
| Due from Schedule 2 | 7,523 | | 7,442 |
| | \$437,521 | | \$291,666 |

5. LAND, BUILDINGS AND EQUIPMENT

(\$000's)

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
|------------------------|-----------------|--|-------------------|--|
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 10,921 | 5,447 | 5,474 | 2½% |
| Leasehold improvements | 2,617 | 1,709 | 908 | 10% |
| Equipment | 16,949 | 12,505 | 4,444 | 20% |
| Motor vehicles | 1,663 | 718 | 945 | 25% |
| | \$38,904 | \$20,379 | \$18,525 | |

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

1984

(\$000's)

1983

| | | |
|--------------------------------------|-----------------|-----------------|
| Accounts payable and accrued charges | \$24,084 | \$26,812 |
| Cheques issued and not yet cashed | 19,967 | 17,701 |
| | \$44,051 | \$44,513 |

7. ADMINISTRATION EXPENSES RECOVERABLE

The Board administers the payment of worker benefits on behalf of Schedule 2 employers, for which it allocates a charge to Schedule 2 employers based on the total administration costs less certain costs not appropriate to Schedule 2.

8. INVESTMENT INCOME

1984

(\$000's)

1983

| | | |
|---|------------------|------------------|
| Investment income | \$182,087 | \$172,471 |
| Less | | |
| Amortization of losses, net of gains, on sale of investments | (5,439) | (5,174) |
| Investment administration expenses | (422) | (444) |
| | \$176,226 | \$166,853 |

9. BENEFIT EXPENSES

1984

(\$000's)

1983

| | | |
|-----------------------------------|------------------|------------------|
| Compensation | \$466,695 | \$412,498 |
| Health care | 117,631 | 101,175 |
| Rehabilitation | 21,615 | 18,852 |
| Pensions | 275,016 | 241,436 |
| | \$880,957 | \$773,961 |
| Less recovered from third parties | 1,603 | 1,897 |
| | \$879,354 | \$772,064 |

10. LEGISLATIVE AMENDMENTS

The Workers' Compensation Act was amended during the year by consent of the Legislative Assembly of the Province of Ontario. The effect of the amendments was to increase the amount of certain benefit payments made to claimants with the application of these increased payments having an effective date of July 1, 1984.

The effect of the legislative amendments was to increase the estimated present value of future payments to existing Schedule 1 claimants by \$254 million (1983 — \$147 million).

11. PARTIAL PROVISION FOR FUTURE LEGISLATIVE AMENDMENTS

Each year the estimated present value of future payments to existing Schedule 1 claimants reflects a partial provision for future legislative amendments. This provision is substantially made by using an assumed interest rate lower than the rate which would have been used based solely on the yields on the Board's current and future investments.

The net effect of making such a partial provision for future legislative amendments was to increase the estimated

present value of future payments to existing Schedule 1 claimants by \$350 million (1983 — \$200 million).

The accumulated amount of such partial provisions to December 31, 1984 was \$850 million (to December 31, 1983 — \$500 million).

12. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements with terms of various expiry dates. The aggregate

minimum annual rental under these arrangements for the next five years is as follows:

| | (\$000's) | | (\$000's) |
|------|-----------|------|-----------|
| 1985 | \$5,137 | 1988 | \$4,257 |
| 1986 | \$5,062 | 1989 | \$3,746 |
| 1987 | \$4,704 | | |

13. SUPERANNUATION FUND

The Board has a benefit-based premium plan, the Superannuation Fund, for its employees and employees of the provincial safety associations. The accounts of the Fund are included in separate financial statements. The most

recent triennial actuarial valuation as at December 31, 1980 determined that this Fund was in a surplus position. The actuarial valuation as at December 31, 1983 is in the process of being completed.

14. SUBSEQUENT EVENT

Bill 101, an Act to amend the Workers' Compensation Act, received Royal Assent and was enacted by the Legislative Assembly of the Province of Ontario on December 14, 1984.

The provisions which relate to coverage and benefits are

effective April 1, 1985 while the changes which involve the administration of the Board and the appeals system will come into effect at a later date.

15. COMPARATIVE FIGURES

Certain of the comparative figures on the Schedule 1 Accident Fund — Administration Expenses have been

reclassified to correspond to the current year's presentation.

SCHEDULE 1 ACCIDENT FUND – ACCIDENT PREVENTION EXPENSES BY CATEGORY AND SAFETY ASSOCIATION
Year ended December 31, 1984

| BY CATEGORY | 1984 | ((\$000's)) | 1983 |
|----------------------------------|-----------------|--------------------|-----------------|
| Salaries and employees' benefits | \$16,586 | | \$15,388 |
| Travel and vehicle maintenance | 2,614 | | 2,431 |
| Supplies and services | 571 | | 519 |
| Equipment rental and maintenance | 594 | | 347 |
| Depreciation of equipment | 294 | | 309 |
| Occupancy costs | 1,434 | | 1,274 |
| Security services and insurance | 62 | | 50 |
| Communications and publications | 5,425 | | 4,661 |
| Other | 1,401 | | 1,483 |
| | \$28,981 | | \$26,462 |

BY SAFETY ASSOCIATION

| | | | |
|--|-----------------|--|-----------------|
| Construction Safety Association of Ontario | \$ 7,590 | | \$ 7,451 |
| Electrical Utilities Safety Association of Ontario, Inc. | 1,225 | | 1,216 |
| Forest Products Accident Prevention Association | 1,200 | | 1,136 |
| Farm Safety Association Inc. | 716 | | 673 |
| Health Care Occupational Health & Safety Association | 1,427 | | 1,223 |
| Industrial Accident Prevention Association | 13,261 | | 11,407 |
| Mines Accident Prevention Association of Ontario | 2,028 | | 1,919 |
| Ontario Pulp & Paper Makers Safety Association | 610 | | 497 |
| Transportation Safety Association of Ontario | 924 | | 940 |
| | \$28,981 | | \$26,462 |

SCHEDULE 1 ACCIDENT FUND – ADMINISTRATION EXPENSES
Year ended December 31, 1984

| | 1984 | ((\$000's)) | 1983 |
|-----------------------------------|------------------|--------------------|------------------|
| Salaries and employees' benefits | \$ 94,453 | | \$ 85,547 |
| Travel and vehicle maintenance | 2,675 | | 3,054 |
| Supplies and services | 1,070 | | 1,225 |
| Equipment rental and maintenance | 7,094 | | 4,527 |
| Depreciation of equipment | 1,436 | | 1,836 |
| Occupancy costs – net | 5,954 | | 5,103 |
| Security services and insurance | 691 | | 514 |
| Data processing costs | 773 | | 471 |
| Communications and publications | 8,797 | | 7,641 |
| Chest examining station costs | 815 | | 771 |
| Credit reports and legal expenses | 916 | | 664 |
| Professional fees and services | 643 | | 463 |
| Other | 1,883 | | 1,969 |
| | \$127,200 | | \$113,785 |

Less administration expenses charged to:

| | | | |
|-------------------------------------|------------------|--|------------------|
| Investment income | \$ 422 | | \$ 444 |
| Downsview Rehabilitation Centre | 200 | | 100 |
| Medical and rehabilitation services | 21,441 | | 19,315 |
| Schedule 2 | 12,023 | | 10,632 |
| | \$ 34,086 | | \$ 30,491 |

Net charge to statement of income, expenses and unfunded liability – Schedule 1 Accident Fund

\$ 93,114 \$ 83,294



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers' Compensation Board Superannuation Fund as at December 31, 1984 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the changes in fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in cursive script, reading "D. F. Archer".

D. F. Archer, F.C.A.,
Provincial Auditor.

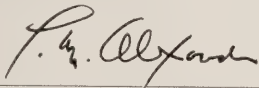
Toronto, Ontario,
April 30, 1985.

BALANCE SHEET - SUPERANNUATION FUND

December 31, 1984

| ASSETS | 1984 | ((\$000's)) | 1983 |
|------------------------------|------------------|--------------------|------------------|
| Cash | \$ 296 | \$ | 369 |
| Investments (Note 3) | 155,670 | | 136,700 |
| Investment income receivable | 2,901 | | 2,407 |
| Accounts receivable | 260 | | 333 |
| | \$159,127 | | \$139,809 |
| LIABILITIES | | | |
| Accounts payable | \$ 261 | \$ | 203 |
| Fund balance | 158,866 | | 139,606 |
| | \$159,127 | | \$139,809 |

Approved by the Board



Chairman



Vice-Chairman of Administration and General Manager

STATEMENT OF TRANSACTIONS AND FUND BALANCE - SUPERANNUATION FUND

Year Ended December 31, 1984

| CONTRIBUTIONS RECEIVED FROM | 1984 | ((\$000's)) | 1983 |
|--|------------------|--------------------|------------------|
| The Board and the Safety Associations | \$ 4,462 | \$ | 4,422 |
| The employees of the Board and the Safety Associations | 4,087 | | 4,058 |
| | \$ 8,549 | | \$ 8,480 |
| INVESTMENT INCOME | \$ 15,872 | | \$ 12,417 |
| | \$ 24,421 | | \$ 20,897 |
| DEDUCT | | | |
| Pensions paid | \$ 4,466 | \$ | 3,820 |
| Contributions plus interest refunded to staff | 695 | | 588 |
| | \$ 5,161 | | \$ 4,408 |
| Increase in the fund for the year | \$ 19,260 | | \$ 16,489 |
| Fund balance, beginning of year | 139,606 | | 123,117 |
| Fund balance, end of year (Note 4) | \$158,866 | | \$139,606 |

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, and cost for mortgages, equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

- (a) Investments — at the rates of exchange prevailing when the investments were acquired.
- (b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation

Board and employees of the provincial safety associations.

3. INVESTMENTS

| | 1984 | | 1983 | |
|------------|-----------|--------------|-----------|--------------|
| | | | (\$000's) | |
| | Cost | Market Value | Cost | Market Value |
| Bonds | \$ 77,181 | \$ 75,382 | \$ 68,511 | \$ 63,714 |
| Mortgages | 28,357 | 28,357 | 23,288 | 23,288 |
| Equities | 43,968 | 65,645 | 32,526 | 53,319 |
| | \$149,506 | \$169,384 | \$124,325 | \$140,321 |
| Short-term | 6,164 | 6,164 | 12,375 | 12,375 |
| | \$155,670 | \$175,548 | \$136,700 | \$152,696 |

4. ACTUARIAL VALUATION

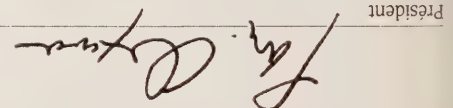
The most recent triennial actuarial valuation as at December 31, 1980 determined that the Fund was in a

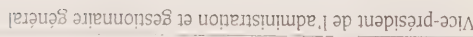
surplus position. The actuarial valuation as at December 31, 1983 is in the process of being completed.

BILAN - CAISSE DE RETRAITE

| ACTIF | | 1984 | (en milliers de \$) | 1983 |
|--------------------------------|-------------------|-------------------|---------------------|---------|
| Encaisse | 296 \$ | | | 369 \$ |
| Placements (note 3) | 155 670 | | | 136 700 |
| Revenu de placement à recevoir | 2 901 | | | 2 407 |
| Créances | 260 | | | |
| PASSIF | 159 127 \$ | 139 809 \$ | | |
| Créditeurs | 261 \$ | | | 203 \$ |
| Solde de la caisse | 158 866 | | | 139 606 |
| | 159 127 \$ | 139 809 \$ | | |

Approuvé par le Conseil d'administration

Président 

Vice-président de l'administration et gestionnaire général 

ÉTAT DES TRANSACTIONS ET SOLDES DE LA CAISSE - CAISSE DE RETRAITE

| CONTRIBUTIONS REÇUES DE | | 1984 | (en milliers de \$) | 1983 |
|---|------------------|------------------|---------------------|------------|
| La Commission et des associations de sécurité | 4 462 \$ | | | 4 473 \$ |
| Employés de la Commission et des associations de sécurité | 4 087 | | | 4 031 |
| REVENU DE PLACEMENT | 15 872 \$ | 12 417 \$ | | |
| | 8 549 \$ | | | 8 438 \$ |
| | 15 872 \$ | | | 12 417 \$ |
| À DÉDUIRE | | | | |
| Pensions payées | 4 466 \$ | | | 3 838 \$ |
| Cotisations plus intérêt remboursées aux employés | 695 | | | 581 |
| | 5 161 \$ | | | 4 419 \$ |
| Augmentation de la caisse pour l'exercice | 19 260 \$ | | | 15 189 \$ |
| Solde de la caisse au début de l'exercice | 139 606 | | | 123 117 |
| Solde de la caisse à la fin de l'exercice (note 4) | 158 866 \$ | | | 139 606 \$ |



Bureau du
vérificateur
provincial

Edifices du Parlement
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

La Commission des accidents du travail
et Monsieur le Ministre du Travail,

J'ai examiné le bilan de la Caisse de retraite de la Commission des accidents du travail au 31 décembre 1984 et l'état des transactions et du solde de la caisse de l'exercice alors terminé. L'examen a été effectué conformément aux normes de vérification généralement reconnues et a comporté, par conséquent, les sondages et autres procédés que j'ai jugés nécessaires dans les circonstances.

À mon avis, ces états financiers présentent fidèlement la situation financière de la caisse au 31 décembre 1984 ainsi que les changements du solde de la caisse pour l'exercice alors terminé, selon les conventions comptables généralement reconnues et qui sont conformes à celles de l'exercice précédent.

Un rapport de la vérification a été adressé à la Commission et au Ministre.

Le vérificateur provincial,
D.F. Archer, F.C.A.

Toronto (Ontario)
Le 30 avril 1985.

| PAR CATÉGORIE | | 1984 | | 1983 | |
|--|--|-----------|-----------|-----------|-----------|
| Salaires et avantages sociaux | | 16 586 \$ | 26 414 \$ | 15 388 \$ | 24 431 \$ |
| Voyages et entretien des véhicules | | 2 614 | 571 | 519 | 347 |
| Fournitures et services | | 2 614 | 571 | 519 | 347 |
| Location d'équipement et entretien | | 2 614 | 571 | 519 | 347 |
| Dépréciation d'équipement | | 294 | 309 | 309 | 309 |
| Charges locatives | | 1 434 | 1 274 | 1 274 | 1 274 |
| Service de sûreté et assurance | | 62 | 62 | 62 | 62 |
| Communications et publications | | 5 425 | 4 101 | 4 101 | 4 101 |
| Divers | | 1 401 | 1 401 | 1 401 | 1 401 |
| Total | | 28 981 \$ | 26 462 \$ | 26 462 \$ | 26 462 \$ |
| PAR ASSOCIATION DE SÉCURITÉ | | 28 981 \$ | | 26 462 \$ | |
| Association ontarienne de sécurité en construction | | 7 590 \$ | 7 451 \$ | 7 451 \$ | 7 451 \$ |
| Association pour les mesures de sécurité dans les services électriques, inc. | | 1 225 | 1 210 | 1 210 | 1 210 |
| Association de prévention des accidents dans l'industrie forestière | | 1 200 | 1 130 | 1 130 | 1 130 |
| Association pour la sécurité à la ferme inc. | | 716 | 673 | 673 | 673 |
| Association des services de soins et des services de santé et de sécurité au travail | | 1 427 | 1 225 | 1 225 | 1 225 |
| Association pour la prévention des accidents industriels | | 13 261 | 11 407 | 11 407 | 11 407 |
| Association pour la prévention des accidents dans les mines ontariennes | | 2 028 | 1 911 | 1 911 | 1 911 |
| Ontario Pulp & Paper Makers Safety Association | | 610 | 577 | 577 | 577 |
| Association de sécurité dans le transports de l'Ontario | | 924 | 890 | 890 | 890 |
| Total | | 28 981 \$ | 26 462 \$ | 26 462 \$ | 26 462 \$ |

CAISSE DES ACCIDENTS RELATANT DE L'ANNÉE 1 - FRAIS D'ADMINISTRATION

| PAR CATÉGORIE | | 1984 | | 1983 | |
|---|--|------------|------------|------------|------------|
| Salaires et avantages sociaux | | 94 453 \$ | 83 241 \$ | 83 241 \$ | 83 241 \$ |
| Voyages et entretien des véhicules | | 2 675 | 2 675 | 2 675 | 2 675 |
| Fournitures et services | | 1 070 | 1 070 | 1 070 | 1 070 |
| Location d'équipement et entretien | | 7 094 | 7 094 | 7 094 | 7 094 |
| Dépréciation d'équipement | | 1 436 | 1 436 | 1 436 | 1 436 |
| Charges locatives - nettes | | 5 954 | 5 954 | 5 954 | 5 954 |
| Services de sûreté et assurance | | 691 | 691 | 691 | 691 |
| Frais d'informatique | | 773 | 773 | 773 | 773 |
| Communications et publications | | 8 797 | 8 797 | 8 797 | 8 797 |
| Postes d'examen radiographique des poumons | | 815 | 815 | 815 | 815 |
| Rapports de solvabilité et frais juridiques | | 916 | 916 | 916 | 916 |
| Honoraires et services professionnels | | 643 | 643 | 643 | 643 |
| Divers | | 1 883 | 1 883 | 1 883 | 1 883 |
| Total | | 127 200 \$ | 112 753 \$ | 112 753 \$ | 112 753 \$ |
| Moins les frais administratifs imputés à: | | | | | |
| Revenu de placement | | 422 \$ | 444 \$ | 444 \$ | 444 \$ |
| Centre de Downsvlew de réadaptation | | 200 | 200 | 200 | 200 |
| Services médicaux et de réadaptation | | 21 441 | 19 415 | 19 415 | 19 415 |
| Annexe 2 | | 12 023 | 10 632 | 10 632 | 10 632 |
| Total | | 34 086 \$ | 30 491 \$ | 30 491 \$ | 30 491 \$ |
| Net imputé à l'état des revenus, des dépenses et de la dette non provisionnée - Caisse des accidents relevant de l'Annexe 1 | | 93 114 \$ | 82 262 \$ | 82 262 \$ | 82 262 \$ |

10. AMENDEMENTS LÉGISLATIFS

La Loi sur les accidents du travail a été amendée au cours de l'exercice par l'Assemblée législative de la province de l'Ontario. Ces amendements avaient pour but d'augmenter le montant de certaines indemnités versées aux réclamants, et ces augmentations sont entrées en vigueur le 1^{er} juillet 1984.

11. PROVISION PARTIELLE POUR AMENDEMENTS LÉGISLATIFS FUTURS

Chaque année, la valeur actuelle estimative des paiements futurs aux réclamants actuels relevant de l'Annexe 1 comprend une provision partielle pour des amendements législatifs futurs. Cette provision découle essentiellement de l'utilisation d'un taux d'intérêt estimatif inférieur au taux qui aurait été utilisé si l'on s'était uniquement basé sur le rendement des placements actuels et futurs de la Commission.

L'effet net de l'établissement de cette provision partielle pour amendements législatifs futurs est une augmentation de

350 millions de \$ de la valeur actuelle estimative des paiements futurs aux réclamants actuels relevant de l'Annexe (1983 — 200 millions de \$).

Au 31 décembre 1984, le montant accumulé de ces provisions partielles était de 850 millions de \$ (500 millions de \$ au 31 décembre 1983).

12. ENGAGEMENTS LOCATIFS

La Commission loue des bureaux en vertu d'accords de location — exploitation dont les dates d'expiration s'échelonnent sur plusieurs années. Le loyer minimum total selon ces accords pour les cinq années à venir est comme suit:

| | | | |
|------|----------|------|----------|
| 1985 | 5 137 \$ | 1988 | 4 257 \$ |
| 1986 | 5 062 \$ | 1989 | 3 746 \$ |
| 1987 | 4 704 \$ | | |

(en milliers de \$)

(en milliers de \$)

13. CAISSE DE RETRAITE

La Commission a établi un régime de retraite à prestations déterminées pour ses employés et les employés des associations provinciales de sécurité. Les états de cette caisse sont inclus aux présentes dans des états financiers distincts. L'évaluation

actuarielle triennale la plus récente au 31 décembre 1980 a constaté que la caisse était excédentaire. L'évaluation actuarielle au 31 décembre 1983 est sur le point d'être terminée.

14. FAIT NOUVEAU

Le projet de loi 101, Loi modifiant la Loi sur les accidents du travail, a reçu la sanction royale et a été promulgué par l'Assemblée législative de la province de l'Ontario le 14 décembre 1984.

Les dispositions relatives à la protection et à l'indemnisation entrent en vigueur à partir du 1^{er} avril 1985 tandis que les changements dans l'administration de la Commission et dans le système d'appel prendront effet à une date ultérieure.

15. CHIFFRES COMPARATIFS

Certains chiffres comparatifs indiqués à la Caisse des accidents relevant de l'Annexe 1 — frais d'administration — ont été reclassés

si liés pour correspondre à la présentation de cet exercice.

| 5. IMMOBILISATIONS | | | | |
|--|------------------------|---------------|-----------|--|
| Taux d'amortissement | Valeur comptable nette | Amortissement | Coût | |
| | | | | Terrains |
| | | | 6 754 \$ | Bâtiments |
| 2 1/2% | 5 474 | 5 447 | 10 921 | Améliorations locales |
| 10% | 908 | 1 709 | 2 617 | Équipement |
| 20% | 4 444 | 12 505 | 16 949 | Véhicules automobiles |
| 25% | 945 | 718 | 1 663 | |
| | 18 525 \$ | 20 379 \$ | 38 904 \$ | |
| 6. COMPTES FOURNISSEURS ET CHARGES À PAYER | | | | |
| 1983 | 1984 | | | Comptes fournisseurs et charges à payer |
| | 24 084 \$ | 19 967 | | Chèques tirés et non encaissés |
| | 26 812 \$ | 17 701 | | |
| | 44 513 \$ | | | |
| 7. FRAIS D'ADMINISTRATION RECouvrABLES | | | | |
| La Commission administre le paiement des indemnités aux travailleurs pour le compte des employeurs relevant de l'Annexe 2. À cette fin, elle impose à ces employeurs des droits basés sur la totalité des frais d'administration, moins certains frais qui ne s'appliquent pas à l'Annexe 2. | | | | |
| 8. REVENU DE PLACEMENT | | | | |
| 1983 | 1984 | | | Revenu de placement |
| | 182 087 \$ | | | Moins |
| | 172 471 \$ | | | Amortissement des pertes, déduction faite des gains, |
| | (5 174) | (5 439) | | sur la vente de placements |
| | (444) | (422) | | Frais d'administration des placements |
| | 166 853 \$ | 176 226 \$ | | |
| 9. DÉPENSES D'INDEMNISATION | | | | |
| 1983 | 1984 | | | Indemnités |
| | 412 498 \$ | 466 695 \$ | | Aide médicale |
| | 101 175 | 117 631 | | Réadaptation |
| | 18 852 | 21 615 | | Pensions |
| | 241 436 | 275 016 | | |
| | 773 961 \$ | 880 957 \$ | | Moins recouvrement de tierces parties |
| | 1 897 | 1 603 | | |
| | 772 064 \$ | 879 354 \$ | | |

1. CONVENTIONS COMPTABLES IMPORTANTES

Méthodes de comptabilité

Les états financiers ont été préparés conformément à la méthode de la comptabilité d'exercice, sauf en ce qui concerne les paiements des indemnités relevant de l'Annexe 2 et les remboursements s'y rapportant qui sont comptabilisés selon la méthode de la comptabilité de caisse.

Placements

Les placements sont comptabilisés au coût amorti dans le cas des obligations et au coût amorti moins les remboursements du principal dans le cas des hypothèques. La différence entre le produit de la vente d'une hypothèque ou d'une hypothèque et sa valeur comptable est considérée comme un redressement du rendement futur du portefeuille, différé dans le bilan et amorti jusqu'à l'échéance du titre vendu ou sur 20 ans, selon la période la plus courte. Les placements à court terme sont comptabilisés au prix coûtant.

Les valeurs marchandes des placements ne sont pas publiées, la politique de la Commission étant, généralement, de garder les placements jusqu'à échéance.

Immobilisations

Les terrains, bâtiments, équipements, améliorations locales et véhicules à moteur sont déclarés à leur coût d'origine. Les

2. ANNEXE 1 ET ANNEXE 2

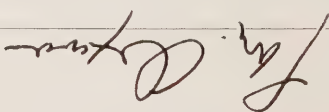
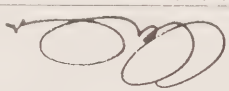
L'Annexe 1 se rapporte aux industries selon lesquelles les employeurs sont tenus de contribuer à la Caisse des accidents, l'aide médicale, les frais de réadaptation et les pensions.

3. PLACEMENTS

| 1984 (en milliers de \$) | | 1983 | |
|---|--------------|--------------|--------------|
| Obligations | 1 081 502 \$ | 1 023 252 \$ | 408 136 |
| Hypothèques | 392 656 | 1 474 158 \$ | 1 431 388 \$ |
| Partie non amortie des pertes subies, déduction faite des profits, sur la vente de placements | 27 045 | 22 609 | |
| Placements à court terme | 1 501 203 \$ | 1 453 997 \$ | 202 334 |
| | 203 708 | 1 656 331 \$ | |
| 1 704 911 \$ | | 1 704 911 \$ | |

4. AUTRES ÉLÉMENTS DE L'ACTIF

| 1984 (en milliers de \$) | | 1983 | |
|---|-----------|------------|--|
| Revenu cumulé de placements | 34 301 \$ | 31 677 \$ | |
| Revenu cumulé provenant des cotisations | 120 000 | 35 000 | |
| Cotisations et autres montants à recevoir | 275 697 | 217 547 | |
| Montants dus de l'Annexe 2 | 7 523 | 7 442 | |
| 437 521 \$ | | 291 666 \$ | |

| BILAN - ANNEXE 2 | | Compte 1100 - Bilan | |
|--|------------------|---|------------------|
| ACTIF | | 1984 | 1983 |
| (en milliers de \$) | | | |
| Encaisse | 175 \$ | | 50 \$ |
| Placements | 7 772 | | 7 888 |
| Frais d'administration recouvrables (note 7) | 10 443 | | 9 241 |
| Intérêts et autres créances | 172 | | 131 |
| PASSIF | 18 562 \$ | 18 562 \$ | 17 310 \$ |
| Payable à l'Annexe 1 | 7 523 \$ | | 7 442 \$ |
| Dépôts nets | 11 039 | | 9 868 |
| Approuvé par le Conseil d'administration | | | |
|  | |  | |
| Président | | Vice-président de l'administration et gestionnaire général | |
| AUGMENTATION DES DÉPÔTS | | 1984 | 1983 |
| (en milliers de \$) | | | |
| Remboursement par les employeurs | 75 215 \$ | | 65 904 \$ |
| Indemnités | | | |
| Frais d'administration | 12 023 | | 10 632 |
| Revenu de placement | 818 | | 738 |
| DIMINUTION DES DÉPÔTS | 88 056 \$ | 88 056 \$ | 77 274 \$ |
| Indemnités des travailleurs | 31 189 \$ | | 27 603 \$ |
| Aide médicale | 12 334 | | 10 766 |
| Réadaptation | 1 129 | | 783 |
| Pensions | 30 210 | | 27 547 |
| Frais d'administration | 12 023 | | 10 632 |
| AUGMENTATION (Diminution) des dépôts nets | 1 171 \$ | 1 171 \$ | (57) \$ |
| Dépôts nets, début de l'exercice | 9 868 | | 9 925 |
| Dépôts nets, fin de l'exercice | 11 039 \$ | | 9 868 \$ |

ÉTAT DES REVENUS, DES DÉPENSES ET DE LA DETTE NON PROVISIONNÉE -

COMPTES DES ACCIDENTS RELATIFS À L'ANNÉE 1983

REVENU

Cotisations et amendes (déduction faite des cotisations non recouvrables 1984 - 21 259 \$; 1983 - 20 535 \$)

Revenu de placement (note 8)

DÉPENSES

Indemnités (note 9)

Provision pour l'augmentation de la valeur actuelle estimative des paiements futurs aux réclamants actuels

Courant

Amendements législatifs (note 10)

Provision partielle pour amendements

législatifs futurs (note 11)

Prévention des accidents

Administration

Services médicaux et de réadaptation

Sauvetage dans les mines

Sécurité et santé au travail

Excédent des dépenses sur les revenus

Dettes non provisionnées, début de l'exercice

Dettes non provisionnées, fin de l'exercice

Président

Approuvé par le Conseil d'administration

Vice-président de l'administration et gestionnaire général

PASSIF

Comptes fournisseurs et charges à payer (note 6)

Valeur actuelle estimative des paiements futurs aux réclamants actuels relevant de l'Annexe 1

Dettes non provisionnées

ACTIF

Encaisse

Placements (note 3)

Autres éléments d'actif (note 4)

Immobilisations (note 5)

1984

(en milliers de \$)

2 619 \$

1 704 911

437 521

18 525

2 163 576 \$

1 969 198 \$

44 051 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

4 830 000

4 874 051 \$

(2 710 475)

2 163 576 \$

1 969 198 \$

Rapport de l'actuaire-conseil relatif à l'évaluation du passif actuariel de la Caisse des accidents relevant de l'Annexe 1 de la Commission des accidents du travail de l'Ontario au 31 décembre 1984.

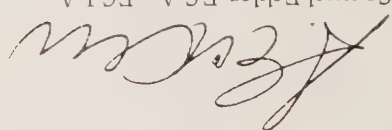
La valeur actuelle estimative des indemnités futures et des versements de pensions et d'aide médicale aux réclamants relevant de l'Annexe 1 pour les accidents survenus avant le 1^{er} janvier 1985, s'élevant à 4,83 milliards de dollars, a été calculée par l'actuaire de la Commission après consultation avec notre firme. Nous croyons que les hypothèses servant à cette évaluation sont appropriées et que la méthodologie utilisée est conforme aux principes actuariels. Nous avons effectué les vérifications de calculs que nous avons jugées nécessaires. Nous avons également examiné les données sur lesquelles étaient fondés ces calculs et nous les avons trouvées suffisantes aux fins d'évaluation, et conformes aux états financiers de la Commission.


L'évaluation a été basée sur les dispositions de la Loi sur les accidents du travail en vigueur au 31 décembre 1984. Cependant, comme pour les évaluations précédentes, une réserve partielle a été établie pour couvrir les éventuelles augmentations par suite de l'inflation qui sont relatives au plafond des gains assurés et au niveau des pensions semblables aux augmentations accordées au cours des années récentes. Cette réserve partielle a été calculée d'après un taux de rendement estimatif sur les placements inférieurs à celui qui aurait été employé si nous étions basés uniquement sur le rendement des placements actuels et futurs de la Commission. Nous estimons que cette réserve partielle se chiffre à 0,85 milliard de dollars, montant inclus dans les 4,83 milliards de dollars mentionnés ci-dessus.

Ces 4,83 milliards comprennent également la somme de 0,09 milliard de dollars qui représente le montant estimatif actuel des paiements supplémentaires résultant des amendements apportés à la loi lors du projet de loi 101. Bien qu'il ait été nécessaire de se servir d'un certain nombre de chiffres approximatifs pour évaluer ce montant, les approximations effectuées n'ont rien changé à l'évaluation.

Les méthodes et les hypothèses utilisées dans cette évaluation sont conformes à celles utilisées dans l'évaluation précédente, compte tenu des facteurs économiques et de l'évolution des tendances en matière d'indemnisation.

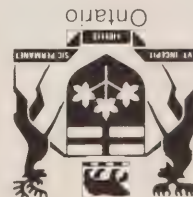
À notre avis et d'après les commentaires susmentionnés, la somme de 4,83 milliards de dollars inscrite au 31 décembre 1984 représente une réserve raisonnable pour couvrir le coût futur des indemnités, des pensions et de l'aide médicale des réclamants relevant de l'Annexe 1, coût attribuable aux accidents survenus avant le 1^{er} janvier 1985.


Samuel Eckler, F.S.A., F.C.I.A.


David A. Short, F.S.A., F.C.I.A.

Actuaires auprès de la firme
Eckler Partners Ltd.

Le 15 mai 1985.



Bureau du
vérificateur
provincial
Edifices du Parlement
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

La Commission des accidents du travail
et Monsieur le Ministre du Travail,

J'ai examiné les bilans de la Caisse des accidents relevant de l'Annexe 1 et de l'Annexe 2 de la Commission des accidents du travail au 31 décembre 1984, l'état des revenus, des dépenses et de la dette non provisionnée de la Caisse des accidents relevant de l'Annexe 1 et l'état de l'évolution des dépôts nets de l'Annexe 2 de l'exercice alors terminé. L'examen a été effectué conformément aux normes de vérification généralement reconnues et a comporté, par conséquent, les sondages et autres procédés que j'ai jugés nécessaires dans les circonstances. La valeur actuelle estimative des versements futurs aux réclamants du groupe relevant de l'Annexe 1 a été calculée par l'actuaire de la Commission et vérifiée par un actuaire-conseil indépendant.

À mon avis, fondé sur cet examen et la déclaration de l'actuaire-conseil indépendant, ces états financiers présentent fidèlement la situation financière de la Commission au 31 décembre 1984 ainsi que les résultats de ses activités pour l'exercice alors terminé, selon les conventions comptables énoncées à la note 1 annexée aux états financiers, appliquées de la même manière qu'au cours de l'exercice précédent.

Un rapport de la vérification a été adressé à la Commission et au Ministre.

Le vérificateur provincial,
D.F. Archer, F.C.A.

Toronto (Ontario)
Le 30 avril 1985.

| | |
|---|----|
| Table des matières | |
| Rapport du vérificateur | 24 |
| Bilan | 25 |
| État des transactions et solde de la caisse | 25 |
| Notes afférentes aux états financiers | 26 |

CAISSE DE RETRAITE DES EMPLOYÉS DE LA COMMISSION
DES ACCIDENTS DU TRAVAIL
Pour l'exercice terminé le 31 décembre 1994

| | |
|---|----|
| Table des matières | |
| Rapport du vérificateur | 16 |
| Rapport de l'actuaire-conseil | 17 |
| Bilan – Caisse des accidents relevant de l'Annexe 1 | 18 |
| État des revenus, des dépenses et de la dette non provisionnée – Caisse des accidents relevant de l'Annexe 1 | 18 |
| Bilan – Annexe 2 | 19 |
| État de l'évolution des dépôts nets – Annexe 2 | 19 |
| Notes afférentes aux états financiers | 20 |
| Caisse des accidents relevant de l'Annexe 1 – Dépenses de prévention des accidents par catégorie et par association de sécurité | 23 |
| Caisse des accidents relevant de l'Annexe 1 – Frais d'administration | 23 |

COMMISSION DES ACCIDENTS DU TRAVAIL – ÉTATS FINANCIERS
Pour l'exercice terminé le 31 décembre 1994

Bureaux de la Commission des accidents du travail en Ontario :

Bureau central

à Toronto
2, rue Bloor est
Toronto, Ont. M4W 3C3
(416) 927-9555

**Centre d'information du
Toronto métropolitain**

1382, avenue St. Clair ouest
Toronto, Ont. M6E 1C6
(416) 965-8864

Bureaux régionaux

London
200, avenue Queens
London, Ont. N6A 1J3
(519) 663-2331

Sudbury
30, rue Cedar
Sudbury, Ont. P3E 1A4
(705) 675-9301

**Bureaux locaux et de
renseignements**

Hamilton
Niveau Plaza
Centre Standard Life
2, rue King ouest
Hamilton, Ont. L8P 1A1
(416) 523-1800

Kingsion

1055, rue Princess
bureau 303
Kingsion, Ont. K7L 5T3
(613) 544-9682

Kitchener/Waterloo

153, rue Frederick
Kitchener, Ont. N2H 2M1
(519) 576-4130

North Bay

189, rue Wylid, C.P. 3190
North Bay, Ont. P1B 1Z2
(705) 472-5200

Ottawa

350, rue Sparks
bureau 206
Ottawa, Ont. K1R 7S8
(613) 238-7851

Sault Ste. Marie

421, rue Bay
3^e étage
Sault Ste. Marie, Ont.
P6A 1X3
(705) 942-3002

St. Catharines

282, chemin Linwell
bureau 120
St. Catharines, Ont.
L2N 6N5
(416) 937-2020

Timmins

1265, rue Arthur est
bureau 407
Thunder Bay, Ont. P7E 6E7
(807) 623-4545

Windsor

787, avenue Ouellette
Windsor, Ont. N9A 4J4
(519) 256-3461

Pour les appels sans frais,

consulter l'annuaire du téléphone.

CHANGEMENTS DANS LE PORTEFEUILLE DES PLACEMENTS DE LA CAISSE

DES ACCIDENTS, 1984-1982 (pourcentage du total)

| | Fin 1984 | | Fin 1983 | | Fin 1982 | |
|--------------------------|----------|--|----------|--|----------|--|
| | % | | % | | % | |
| Obligations à long terme | 64,5 | | 63,1 | | 63,5 | |
| Hypothèques | 23,4 | | 24,7 | | 26,0 | |
| Titres à court terme | 12,1 | | 12,2 | | 10,5 | |

En 1984, le nombre des femmes a augmenté à tous les échelons de gestion et dans les postes de l'échelle salariale administrative supérieure du secteur non syndiqué de la Commission. Les femmes occupaient 31% des postes au niveau de la gestion intermédiaire, soit une augmentation de 3,3% par rapport à 1983, et 14,6% des postes au niveau de la gestion supérieure, soit un accroissement de 19,7%. Sept avancées significatives ont été réalisées en 1984 dans l'échelle salariale administrative supérieure et dans la gestion de la Commission. Citons, entre autres, la nomination pour la première fois, de femmes, aux postes d'adjointe de direction du président, et de chef des services d'inscription et d'identification des dossiers.

En 1984, dans le cadre du programme d'égalité d'accès à l'emploi de la Commission, 17 employés handicapés ont vu des modifications apportées à leur poste de travail et ont reçu une aide technique leur permettant de remplir les fonctions de leur emploi. La mise en oeuvre d'un programme d'emploi pour les personnes handicapées au sein de la communauté a permis, avec l'aide du programme de placement spécial de la Commission, de trouver des emplois à plein temps pour 11 employés handicapés.

La cotisation est de 48 \$ par travailleur tandis que le plafond est de 6 300 \$. La moyenne estimative pour 1985 est de 467 \$ par travailleur, soit une augmentation moyenne de presque 17%. En 1984, le tarif moyen de cotisation par 100 \$ de salaire assurable était de 2,17 \$ pour un plafond assurable de 25 500 \$ par travailleur.

La dette non provisionnée pour l'année civile de 1984 était de 2,7 milliards \$. Une provision intégrale pour couvrir les augmentations futures du coût de la vie devrait ajouter 2,7 milliards \$ à ce montant. Cette dette non provisionnée possible de 5,4 milliards \$ peut être absorbée sur une période de 30 ans à un coût annuel réel de 96 \$ par travailleur.

La tarification selon la fréquence des accidents rend la répartition des cotisations plus équitable pour les entreprises et, en 1984, 10% des cotisations ont été de nouveau réparties parmi les employeurs participant à ce genre de régime.

Le programme concernant les droits de la personne et l'égalité d'accès à l'emploi démontre clairement l'engagement pris par la Commission pour faciliter le progrès des femmes et des personnes handicapées dans les emplois offerts à la Commission.

Le nombre des employeurs de l'Ontario relevant de l'Annexe 1 aux termes de la Loi sur les accidents du travail est passé de 164 000 à 168 000, soit une augmentation de 2,4% par rapport à 1983.

Le revenu net des placements de la Commission est passé de 166,9 millions \$ en 1983 à 176,2 millions \$ pour 1984. Le rendement réel du portefeuille des valeurs à long terme n'a cessé de s'améliorer passant de 10,9% à 11%. En même temps, les placements de la Caisse des accidents (évalués au coût amorti rajusté pour les pertes nettes accumulées non amorties) sont passées de 1,66 milliards \$ en 1983 à 1,70 milliards \$ en 1984.

Afin de s'assurer que le financement du système d'indemnisation des travailleurs soit équitable et méthodique, les actuaires font l'évaluation des obligations à long terme de la Commission et recommandent la politique à adopter pour fixer les cotisations. Cette évaluation et le système de cotisation se fondent sur une analyse des données tendancielles antérieures et actuelles.

En 1984, 18% des cotisations ont été placés dans l'actif de la Caisse des accidents relevant de l'Annexe 1. L'utilisation du système d'indemnisation des travailleurs de l'Ontario a continué de s'étendre. En 1984, le coût réel des demandes d'indemnisation a augmenté de 7%. Et le versement de nouvelles pensions d'invalidité permanente reste la cause principale de cette augmentation.

Pour l'Annexe 1, la cotisation annuelle moyenne par travailleur se chiffrait à 400 \$. Cette moyenne est basée sur 108 groupes d'employeurs, qui représentaient un large éventail d'entreprises en Ontario. Le plancher

En plus de son siège social à Toronto et du Centre d'information du Toronto métropolitain, la Commission a douze bureaux dans la province pour servir les travailleurs de l'Ontario. Dix régions ont des bureaux qui produisent des conseils, recueillent les renseignements nécessaires aux dossiers d'indemnisation et répondent aux questions concernant les demandes de prestations. Les deux bureaux régionaux de la Commission, à London et à Sudbury, s'occupent des demandes d'indemnisation de leur région respective et fournissent les services de réadaptation professionnelle, d'aide médicale, de conseils médicaux et se chargent de la recette des cotisations.

Des 388 845 nouvelles demandes d'indemnisation soumises à la Commission pour toute la province en 1984, 25 198 ont été adressées au bureau de London et 15 661 à celui de Sudbury, soit une moyenne de 82 dossiers par jour ouvrable. En 1984, les prestations d'aide médicale versées par les deux bureaux régionaux de la Commission se sont chiffrées à 203 627, soit une augmentation de 18,4% par rapport à 1983. Le service de paiement des prestations concernant la réadaptation professionnelle a également été transféré, en 1984, à ces deux bureaux régionaux. La possibilité d'y transférer également le service des pensions est actuellement à l'étude. La Commission a tenu, à intervalles réguliers, des séances de consultation dans onze localités de l'Ontario difficiles d'accès pour le personnel des bureaux régionaux d'information. Les employés des bureaux régionaux

DEMANDES D'INDEMNISATION POUR INTERRUPTION DE TRAVAIL CLASSÉES PAR LÉSION/MALADIE, 1984*

| LESIONS AU TRAVAIL | DEMANDES | % DU TOTAL DES DEMANDES |
|--|----------|-------------------------|
| Entorses, foulures | 79 421 | 46,2 |
| Contusions, peau intacte | 35 115 | 20,4 |
| Coupures, lacerations, plaies ouvertes | 21 813 | 12,7 |
| Fractures | 7 718 | 4,5 |
| Egratignures, écorchures | 5 169 | 3,0 |
| Brûlures, échaudures | 3 927 | 2,3 |
| Hernies, ruptures | 1 615 | 0,9 |
| Lésions multiples | 1 140 | 0,7 |
| Luxations | 595 | 0,4 |
| Amputations | 541 | 0,3 |
| MALADIES PROFESSIONNELLES | 1 162 | 0,7 |
| Surdité ou déficience auditive | 1 100 | 0,6 |
| Brûlures chimiques | 750 | 0,4 |
| Rayons ultraviolets, brûlure par projection d'étincelles | 737 | 0,4 |
| Ténosynovite | 682 | 0,4 |
| Gaz toxiques, inhalation de fumées | 612 | 0,4 |
| Dermatites | 9 905 | 5,7 |
| AUTRES LÉSIONS ET MALADIES | 172 002 | 100,0 |

* La distribution des demandes d'indemnisation pour interruption de travail par lésion/maladie est quelque peu différente en 1984 de ce qu'elle était les années précédentes grâce à l'utilisation, cette année, d'une meilleure codification.

DEMANDES D'INDEMNISATION POUR INTERRUPTION DE TRAVAIL CLASSÉES PAR PARTIE DU CORPS BLESSÉ, 1984*

| PARTIE DU CORPS | DEMANDES | % DU TOTAL DES DEMANDES |
|-----------------|----------|-------------------------|
| Dos | 46 630 | 27,1 |
| Doigt(s) | 19 502 | 11,3 |
| Cheville | 9 104 | 5,3 |
| Jambe, multiple | 7 725 | 4,5 |
| Épaule(s) | 7 459 | 4,4 |
| Oeil/yeux | 7 017 | 4,1 |
| Main | 6 937 | 4,0 |
| Genou | 6 448 | 3,7 |
| Abdomen | 6 383 | 3,7 |
| Poignet | 6 014 | 3,5 |
| Orteil(s) | 5 582 | 3,2 |
| Avant-bras | 4 289 | 2,5 |
| Poitrine | 3 814 | 2,2 |
| Bras | 2 713 | 1,6 |
| Coude | 2 520 | 1,5 |
| Autres | 29 865 | 17,4 |
| TOTAL | 172 002 | 100,0 |

* La distribution des demandes d'indemnisation par partie du corps est quelque peu différente en 1984 de ce qu'elle était les années précédentes grâce à l'utilisation, cette année, d'une meilleure codification.

de la Commission ont participé à plus de 200 débats communautaires au cours de l'année 1984. Les employés de diverses divisions du siège social eux durant l'année.

Parmi les 6 944 patients ayant terminé leur traitement complet au Centre de réadaptation, 5 731 étaient, du point de vue médical, en mesure de reprendre leur travail, soit un taux de réussite de 82,5% pour les cas compliqués. Le Centre de réadaptation de Downsville a lancé, en 1984, un nouveau programme de traitement qui a été mis sur pied, progressivement, permettant l'admission des patients au cours des six premiers mois de leur invalidité. Ce programme a été l'aboutissement d'un projet pilote couronné de succès qui consistait à admettre au Centre des patients ayant des problèmes de dos dans les délais mentionnés ci-haut. De toutes les cliniques spéciales du Centre, les admissions à la clinique de soins des mains ont augmenté de 12,5% en 1984, soit 955 travailleurs blessés. Les admissions et les consultations au service de neurologie s'élevaient à 616 cas. Les stimulateurs électriques transcutanés des nerfs (S.E.T.N.) ont été prescrits dans 1 585 cas, soit une augmentation de 32,5% par rapport à 1983. Ces appareils sont utilisés par les malades pour contrôler certains types de douleurs chroniques. Les employés des services médicaux, généralement en collaboration avec des chercheurs indépendants, participent à nombreux projets de recherche dont certains ont été menés à terme en 1984. Parmi ceux-là, une étude sur les prothèses électriques pour des adultes amputés d'un membre supérieur, et une autre sur les facteurs qui influencent la réadaptation et l'emploi parmi les travailleurs amputés dans un accident de travail. D'autres recherches importantes ont été faites concernant les genoux, les mains et les brûlures.

La Commission des accidents du travail a pour mandat d'organiser le retour des travailleurs blessés à un emploi rémunéré au sein de la société. Un service de haute qualité et des mesures efficaces permettent au personnel de la Commission d'accomplir ces tâches.

En Ontario, 7 633 travailleurs blessés ont été dirigés vers des services généraux de réadaptation professionnelle en 1984 (soit une diminution de 6,1% par rapport aux 8 126 cas qui avaient été adressés à la Commission en 1983). De ce nombre, 5 560 travailleurs l'ont été pour la première fois, tandis que les 2 073 autres ont vu leur dossier réexaminé. Le personnel de réadaptation de la Commission de l'Ontario a joué un rôle décisif dans la réadaptation de 4 410 travailleurs blessés (soit une augmentation de 10,8% par rapport aux 3 981 travailleurs réadaptes en 1983). De ce nombre, 3 714 travailleurs réadaptes ont pu retourner au travail, tandis que les 696 autres qui ne pourront retravailler ont reçu de l'aide financière pour pouvoir subvenir à leurs besoins. À la fin de l'année, 8 279 cas étaient encore en cours de règlement. En 1984, le personnel de la Commission a trouvé 4 820 emplois pour les travailleurs réadaptes, soit une augmentation de 13,8% par rapport à l'année précédente. Pour étayer cet effort, des «campagnes-éclair» intenses ont été organisées dans 11 centres urbains de l'Ontario pour rechercher des emplois dans une région donnée.

Pour déterminer le degré de leur capacité de travail, 3 837 travailleurs blessés ont été évalués. En 1984, 2 654 programmes de formation pour les travailleurs blessés ont été entrepris, soit une augmentation de 10,6% par rapport à 1983. Ils comprennent la formation au travail, le perfectionnement académique et des études post-secondaires. Au cours de 1984, la qualité des services prodigués aux travailleurs blessés s'est améliorée grâce à l'élaboration de nouvelles directives pour les conseillers et à la création de services de conseil standards. Ces mesures ont pour but d'assurer à notre clientèle un service d'une qualité très élevée. Dans le domaine de l'ergonomie, les activités de la Commission ont considérablement augmenté en 1984. L'expertise et les qualifications du personnel ont également été perfectionnées. La Commission est maintenant en mesure de fournir des analyses ergonomiques des lieux de travail aux employeurs pour les aider à planifier ou à transformer les endroits de travail et ainsi permettre aux travailleurs blessés d'y être mieux installés. Au cours des dernières années, la Commission a étroitement collaboré avec les syndicats concernant la réadaptation des travailleurs blessés. En 1984, leur collaboration n'a fait que s'accroître. En plus du soutien de la Fédération ontarienne du travail, la Commission a reçu, jusqu'à présent, l'appui officiel de 83 syndicats locaux pour son programme de réadaptation.

Un nouveau système téléphonique, mis en place en 1984 au siège social de la Commission à Toronto, offre un service bien plus efficace à tous ceux qui communiquent avec la Commission. Il permet également d'entrer directement en communication avec les préposés responsables des dossiers d'indemnisation. Le nombre des terminaux électroniques pour les préposés de la section d'indemnisation (invalidité continue) a été augmenté. L'accès aux dossiers est immédiat, ce qui permet de traiter plus efficacement le paiement des indemnités.

NOMBRE ET TYPE DES INDEMNITÉS ACCORDÉES, 1984-1983
(avec pourcentage du nombre total de cas soumis)

| CHANGEMENT 1984-1983 EN % | 1984 | | 1983 | |
|---|--------------|----------|---------------|-----------------|
| | Nombre total | | de cas soumis | |
| Indemnités accordées pour interruption de travail | 172 002 | (44,2%) | 147 666 | (42,8%) +16,5% |
| Indemnités accordées sans interruption de travail | 192 919 | (49,6%) | 175 871 | (51,0%) + 9,7% |
| Indemnités refusées | 20 343 | (5,2%) | 16 989 | (4,9%) +19,7% |
| Autres (y compris les demandes retirées et en souffrance) | 3 581 | (1,0%) | 4 232 | (1,3%) -15,4% |
| | 388 845 | (100,0%) | 344 758 | (100,0%) +12,8% |

Pour faciliter la préparation d'une demande d'appel, les travailleurs blessés ou leurs représentants peuvent demander une photocopie de leur dossier d'indemnisation lorsqu'il y a litige. Les employeurs ne peuvent obtenir que les documents que la Commission juge pertinents à la question en litige. En 1984, 10 094 demandes d'accès aux dossiers d'indemnisation ont été présentées, soit une augmentation de 31,1% par rapport à 1983.

Les employés de la Commission des accidents du travail surveillent les soins médicaux administrés aux travailleurs blessés dans toute la province et conseillent sur les traitements appropriés. Ils évaluent et régulent les factures pour les soins médicaux et frais qui s'y rapportent. Ils donnent également des conseils d'ordre médical pour l'évaluation des demandes d'indemnisation individuelles.

En 1984, le nombre total des dossiers d'indemnisation examinés par les médecins de la Commission a augmenté de 4,5% par rapport à 1983, passant de 137 828 à 144 079 cas. Pour leur part, les spécialistes des maladies professionnelles ont examiné 15 389 dossiers, ce qui représente une augmentation de 40,6% par rapport aux 10 943 cas de 1983. La Direction d'aide médicale a payé 128 590 833 \$ en assistance médicale et frais connexes, soit une augmentation de 13,9% par rapport à 1983. De plus, elle a réglé 2 814 961 factures pour le traitement des travailleurs blessés, ce qui représente 26% de plus que l'année précédente. Il a fallu modifier la demeure de 145 travailleurs blessés pour qu'ils puissent continuer d'y vivre malgré leur grave invalidité. Le nombre des admissions au Centre de réadaptation de la Commission, situé à Downsview et qui comprend 522 lits, a légèrement augmenté. Il est passé de 11 434 en 1983 à 11 794 en 1984, soit une augmentation de 3,1%. Le nombre des patients ayant terminé leur traitement complet s'est chiffré à 6 944, soit une augmentation de 6,5% (6 520 l'année précédente).

En 1984, les préposés aux appels ont entendu 3 692 cas, soit une augmentation de 16,4% par rapport à 1983. Les commissaires aux appels ont entendu 1 199 cas, soit une augmentation de 8,5% par rapport à l'année précédente. Au cours de l'année 1984, les préposés aux appels ont approuvé, entièrement ou partiellement, 49,4% des appels pour lesquels ils avaient statué, tandis que les commissaires aux appels en ont approuvé 33,7%.

TEMPS DE RÉPONSE POUR L'INDEMNISATION, 1984-1982*

| DOSSIERS SANS COMPLICATIONS (Payés selon les données du rapport de l'employeur) | | |
|--|------|------|
| % des demandes payées en... | 1984 | 1983 |
| 3 jours ouvrables | 96,8 | 96,1 |
| 4 jours ouvrables | 97,8 | 97,9 |
| 5 jours ouvrables | 98,8 | 98,5 |

| DOSSIERS BASÉS SUR LE PREMIER RAPPORT DU MÉDECIN (Rapports supplémentaires de l'employeur/employé nécessaires) | | |
|---|------|------|
| % des demandes payées en... | 1984 | 1983 |
| 10 jours ouvrables | 89,7 | 92,9 |
| 20 jours ouvrables | 98,1 | 98,4 |
| 30 jours ouvrables | 99,1 | 99,4 |

| DOSSIERS D'INDEMNISATION COMPLIQUÉS (Enquêtes ou investigations sur place nécessaires) | | |
|---|------|------|
| % des demandes payées en... | 1984 | 1983 |
| 10 jours ouvrables | 36,8 | 36,8 |
| 20 jours ouvrables | 65,9 | 66,6 |
| 30 jours ouvrables | 84,0 | 84,3 |

* Comparaison sur 3 ans du temps de réponse entre la réception, aux bureaux de la Commission, d'un avis d'accident et l'émission du premier chèque d'indemnisation.
REMARQUE: Demandes exclues de ces tableaux:
1) les demandes d'abord présentées sans "interruption de travail" qui passent à la catégorie "avec interruption de travail";
2) les demandes pour hernies;
3) les demandes pour maladies professionnelles.

La Commission a pour mandat de s'assurer que les travailleurs blessés reçoivent toutes les indemnités auxquelles ils ont droit en vertu de la Loi sur les accidents du travail. Dans ce cadre, la Commission s'occupe de l'évaluation des demandes d'indemnisation, pour les maladies professionnelles et les accidents du travail ainsi que de l'indemnisation des travailleurs obligés de manquer le travail ou souffrant d'invalidité permanente.

En Ontario, le nombre des nouvelles demandes d'indemnisation est passé de 344 758 en 1983 à 388 845 en 1984, soit une augmentation significative de 12,8% attribuable, en grande

partie, à la reprise économique dans certains secteurs industriels de l'Ontario. Cette reprise a entraîné une augmentation de la main-d'oeuvre. Sur l'ensemble des nouvelles demandes d'indemnisation pour 1984, 44,2% (soit 172 002 cas) ont été acceptées pour perte de salaire et les prestations s'y rapportant ont été payées. Par ailleurs, dans 49,6% des cas acceptés (soit 192 919), le travailleur avait dû recevoir un traitement médical sans avoir, toutefois, à s'absenter du travail passé le jour de l'accident. Le nombre total des cas de décès ayant fait l'objet d'un règlement était de 203. Le nombre des nouvelles pensions d'invalidité permanente accordées aux travailleurs en 1984 s'est élevé à 20 962; l'année précédente il était de

17 880. Ce chiffre comprend les pensions viagères, les indemnités forfaitaires, les paiements provisoires et l'augmentation des pensions après ré-évaluation. De plus, 4 814 nouvelles pensions temporaires ont été accordées et 4 035 pensions temporaires ont été prolongées ou augmentées. À la fin de l'année, le nombre des travailleurs blessés bénéficiant d'une pension s'élevait à 91 392 par rapport à 82 889 en 1983. Dans les cas où le préposé à l'indemnisation recommande de refuser ou de limiter les indemnités, ou si la décision est contestée, la demande est automatiquement transmise à la Direction de révision des dossiers de la Commission pour qu'elle en fasse l'étude indépendante. En 1984, il y a eu 30 999 cas de renvoi, soit une augmentation de 37,2% par rapport à 1983 (22 596 cas). Dans 57,1% des cas, les recommandations des préposés à l'indemnisation ont été confirmées. Quant aux autres, les recommandations ont été infirmées, ou bien une autre enquête a été demandée. Il s'agit là d'un premier pas dans un système général de réexamen des dossiers grâce auquel la Commission s'assure de la justesse et de l'équité des décisions prises.

Le Fonds de garantie pour les travailleurs réintégré (F.G.T.R.) de la Commission soulage financièrement les employeurs relevant de l'Annexe 1 lorsque l'état de santé sous-jacent ou pré-existant d'un travailleur est partiellement la cause d'une nouvelle lésion ou prolonge une invalidité. La partie des frais d'indemnisation attribuable à l'état de santé antérieur est imputée à ce Fonds au lieu d'être imputée à l'employeur actuel. En 1984, les prestations et les frais d'assistance médicale transférés au F.G.T.R. se sont élevés à 156 172 643 \$, soit 17,4% de la totalité des prestations relevant de l'Annexe 1 (en 1983, le transfert se chiffrait à 131 258 846 \$).

Voici donc, les points saillants les plus importants, pour 1984, à la Commission des accidents du travail. Cependant, les réalisations majeures qui ont eu lieu au cours de l'année, n'ont nullement diminué l'importance de l'accomplissement des tâches courantes, toutes aussi essentielles, dont les employés de la Commission devaient s'acquitter quotidiennement. Citons, plus particulièrement, l'administration des demandes d'indemnisation et des prestations pour services médicaux et frais correspondants, la réadaptation des travailleurs blessés, le contrôle

La technologie moderne vend les services de la Commission plus efficaces et plus rapides

financier du système d'indemnisation, la promotion auprès des employeurs pour des conditions de travail sûres, et l'exécution d'innombrables tâches dans l'application de la Loi sur les accidents du travail. La suite de ce rapport annuel est consacrée à la description sommaire de ce précieux travail et montre clairement l'engagement permanent pris par la Commission de fournir aux travailleurs et aux employeurs de la province le meilleur système d'indemnisation qui soit.

Lincoln M. Alexander, C.P., C.R.,
Président de la Commission des
accidents du travail

Tous ceux qui travaillent actuellement dans un bureau se rendent compte que la bureaucratie est la solution de l'avenir. En 1984, la Commission a marqué une étape importante dans l'information de certains de ses programmes en créant une nouvelle division: les Services d'information de gestion.

Avec un mandat plus étendu, cette nouvelle division remplace celle de développement et de traitement des données de la Commission. Son rôle est d'aider la Commission à devenir un utilisateur à la fine pointe de la technologie de l'informatique, d'améliorer l'efficacité du service qu'elle fournit aux travailleurs de cette province.

Il est certain qu'un usage perfectionné et plus répandu de cette technologie influencera considérablement la productivité des employés de la Commission. Les travailleurs de l'Ontario pourront ainsi bénéficier d'un service à la fois plus efficace et plus rapide.

Par ailleurs, le personnel de la Commission aura plus facilement accès aux dossiers d'indemnisation et aux dernières directives concernant la politique et les procédures en usage. De ce fait, les risques d'erreurs humaines au niveau des décisions se trouveront réduits et le temps nécessaire au traitement des dossiers non complexes sera, lui aussi, diminué. En 1984, cette nouvelle division de la Commission a établi un plan stratégique de cinq ans pour l'introduction progressive de la nouvelle technologie et lancé plusieurs projets conçus dans ce but. Des études importantes ont également été entreprises pour évaluer les différents systèmes bureaucratiques et les nouvelles méthodes informatiques.

Cette méthode est plus complexe que le CAD-7, système de tarification selon la fréquence des accidents adopté par les groupes d'employeurs de la construction. Le CAD-7 a réalisé ses premiers remboursements et surprimés (25 762 au total) en octobre 1984. L'une des caractéristiques principales de ce nouveau régime est le fait qu'il se base sur une projection des dépenses finales pour les accidents de l'année (y compris les frais indirects d'administration). Ce système protège les entreprises, surtout les petites, du coût intégral des dossiers d'indemnisation onéreux. Il reflète immédiatement les efforts de l'entreprise dans le domaine de la sécurité et de la réadaptation, puisqu'il change son taux de cotisation initial. Le régime prévoit également des remboursements et des surprimés rétroactives. Il peut être implanté graduellement, sur une période de cinq ans, afin de modérer les réductions ou augmentations initiales éventuelles de la cotisation. Le régime est applicable à tous les groupes d'employeurs à condition que l'association professionnelle du groupe en question, ou son équivalent, étudie le système attentivement, que le groupe approuve la demande officiellement et qu'il obtienne un ordre de la Commission pour l'intégration de la tarification en cause dans le régime. La Commission estime que ce nouveau régime élaboré nous aide à encourager les employeurs non seulement à prendre conscience des problèmes de sécurité, mais aussi à améliorer considérablement leurs méthodes pour réduire les blessures et réadapter les travailleurs à l'emploi.



Création de l'Office d'information sur la santé et la sécurité au travail

De plus, l'O.I.S.S.T. conseille la Commission sur tout ce qui a trait aux maladies professionnelles et à l'éducation en matière de sécurité en Ontario. L'Office vérifie annuellement les programmes et les budgets des neuf associations provinciales de sécurité et il est responsable de l'administration de ces associations.

L'O.I.S.S.T. a également été chargé de développer de nouveaux programmes d'information traitant de la santé et de la sécurité au travail, et de leur application effective dans toute la province. En bref, la création de l'O.I.S.S.T. par la Commission marque une étape importante dans l'application rationnelle des programmes d'information sur la santé et la sécurité au travail des associations provinciales de sécurité qui sont financées par la Commission.

Le Comité paritaire de révision des directives est composé de douze membres — six représentant la main-d'œuvre et six le patronat — choisis pour leurs connaissances dans le domaine de l'éducation en matière de sécurité et de santé. Ce Comité est une tribune de concertation entre le patronat et la main-d'œuvre pour faire face aux problèmes concernant l'information sur la sécurité et la santé au travail. Le Comité fait ensuite ses recommandations à l'O.I.S.S.T. L'Office d'information sur la santé et la sécurité au travail et le Comité la sécurité de révision des directives paritaire de révision des directives donnent à la main-d'œuvre et au patronat un rôle significatif à tous les niveaux dans le domaine de l'information sur la santé et la sécurité au travail. Le cadre administratif tripartite de l'O.I.S.S.T. se compose d'un administrateur représentant la main-d'œuvre, d'un autre administrateur représentant le patronat et d'un président accepté par les deux autres parties.

La Commission des accidents du travail sait quel rôle considérable les associations de sécurité assument dans la prévention des accidents en Ontario. Je suis certain que le travail important de l'O.I.S.S.T. et du Comité paritaire de révision des directives sera poursuivi dans l'esprit de consultation et de collaboration qui a toujours caractérisé les relations de travail entre la Commission et ces associations. Pendant des années, la Commission a oeuvré en collaboration avec les entreprises, les associations de sécurité et le Pr. Paul Weiler afin d'améliorer le système de tarification et faire en sorte que les cotisations des employeurs tiennent compte de la fréquence des accidents survenus dans leur entreprise et des frais d'indemnisation. Ce système, connu sous l'expression « tarification en fonction de la fréquence des accidents », récompense les entreprises dont la fréquence des accidents est inférieure à la norme, tandis qu'il pénalise celles dont la fréquence des accidents est trop élevée. Cette méthode encourage les entreprises à prendre des mesures de prévention des accidents et à participer à la réadaptation des travailleurs blessés. Elle fait subir une part plus importante des frais d'indemnisation aux entreprises qui en sont la cause, c'est-à-dire les entreprises dont la fréquence des accidents est élevée. Au cours de 1984, les actuaires de la Commission ont recherché comment appliquer une tarification selon la fréquence des accidents (F.T.I.A.), dont les principes fondamentaux ont été établis par l'Association des industries forestières de l'Ontario et ses actuaires.

Expansion des services en langue française

Quant aux prestations payables aux travailleurs, le plafond des gains assurés passera de 26 800 \$ présentement assurés à 31 500 \$. En cas d'invalidité ou de maladie, les travailleurs recevront 90% de leurs gains nets au lieu de 75% des gains bruts de ce qui leur est payé actuellement. Les survivants des travailleurs décédés à la suite d'une lésion attribuable au travail ou à la suite d'une maladie professionnelle bénéficieront d'une amélioration substantielle de leurs prestations. Pour les travailleurs partiellement invalides, on prévoit une disposition aux termes de laquelle la pension supplémentaire sera calculée en tenant compte de la poussée inflationniste. De plus, l'article 86s de la Loi sur les accidents du travail modifiée stipule que les «services accordés en vertu de la loi doivent être fournis en français dans les cas appropriés».

Bien avant que cette loi soit votée, la Commission savait que le gouvernement de l'Ontario souhaitait des services en français plus étendus que ceux existant déjà à la Commission. Dans ce cadre, et tout en respectant les besoins changeants de la main-d'œuvre ontarienne, la Commission a entrepris, en 1984, un examen approfondi de ses services en langue française.

À la fin de l'année, la Commission avait déjà commencé à remplacer, par des formulaires bilingues, la plupart des 3 000 formulaires et lettres-formulaires qu'elle utilise. Ainsi, environ 1 000 formulaires seront dans les deux langues à l'automne 1985. La Commission a également commencé à identifier les emplois qui doivent être occupés par des employés bilingues et à mettre sur pied un nouveau bureau de traduction en français pour 1985. La publication en français et en anglais de tous les nouveaux documents de la Commission y compris, pour la première fois, ce rapport annuel, prouve l'engagement pris par la Commission pour le bénéfice de ses clients.

Une autre initiative remarquable de la Commission des accidents du travail en 1984, a été la création de l'Office d'information sur la santé et la sécurité au travail et le Comité paritaire de révision des directives. Ces organismes

des diverses agences qui, à présent, comprennent les neuf associations de sécurité et la Fédération ontarienne du travail.

L'Office d'information sur la santé et la sécurité au travail (O.I.S.S.T.), ouvert le 1^{er} juillet 1984, remplace la Division de formation à la sécurité de la Commission, en assume les fonctions et est chargé d'autres responsabilités.



ont la responsabilité d'administrer les programmes éducatifs de la Commission se rapportant à la sécurité et à la santé au travail par l'intermédiaire



Amélioration des services offerts par la Commission à sa clientèle

Grâce à des groupes de travail et des comités formés en 1984 et auparavant la Commission des accidents du travail s'est préparée à une transition sans heurts — sans interruption des services — sans diminution de ses activités — pour faire face aux exigences auxquelles elle devra se soumettre conformément aux dispositions définies dans le projet de loi. Je citerai, parmi ces comités, celui qui a été chargé d'adapter le système complexe de traitement des données aux nouvelles méthodes anticipées de calcul des indemnités pour les travailleurs blessés.

Le projet de loi 101 énonce six dispositions principales concernant l'administration, la structure et l'étendue de la protection des travailleurs : le Conseil d'administration de la Commission va être élargi pour comprendre une majorité d'administrateurs à temps partiel venant de l'extérieur; un tribunal d'appel tripartite indépendant va être créé pour remplacer notre commission d'appel interne et ce tribunal sera consulté, dans certains cas, par des médecins indépendants; un comité des maladies professionnelles va être établi pour remplir les fonctions d'expert-conseil auprès de la Commission dans l'établissement des critères d'indemnisation des travailleurs dans les cas de maladies professionnelles; le bureau des conseillers des travailleurs va être élargi et un nouveau bureau de conseillers des employeurs va être créé, les deux bureaux relevant du ministre du Travail plutôt que de la Commission; pour la première fois, les domestiques seront protégés en vertu de la loi; les employeurs vont devoir payer aux travailleurs blessés le salaire normal et les avantages correspondants pour la journée de l'accident lorsque l'indemnisation est payable pour perte de rémunération.

Tout est prêt pour une transition sans problèmes

L'Honorable Russell H. Ramsay, le 12 juin 1984. D'autres audiences publiques, article — faire par le Comité permanent et le Comité de la chambre ont suivi avant que ce projet soit voté six mois plus tard. En réalité, les dispositions de ce projet de loi devraient faire l'objet du rapport annuel de la Commission pour l'année 1985, car les changements dans l'indemnisation et dans l'administration n'entreront en vigueur qu'au cours de cette année-là. Toutefois, si je fais maintenant un résumé historique de ces changements c'est pour montrer que la Commission s'est tenue au courant des amendements proposés, et qu'elle s'est servie de la période écoulée pour mettre au point le mécanisme interne nécessaire à une transition sans difficultés en 1985.



De nombreux groupements intéressés de toute la province, représentant le patronat, les syndicats, les travailleurs blessés, les communautés médicales et juridiques, et entre autres, le grand public, ont fait des soumissions à ce comité qui était chargé de préparer des recommandations pour la législation. Le rapport final du Comité permanent a été présenté à la législature onarienne en décembre 1983. Le projet de loi 101, *Loi modifiant la Loi sur les accidents du travail* a été présenté à la législature par le ministre du Travail.



ai l'honneur, cette année encore, de présenter le rapport annuel de la Commission des accidents du travail à l'Honorable John B. Aird, Lieutenant-gouverneur de l'Ontario, ainsi qu'à la population de notre province et à ses députés élus.

En tant que président de la Commission, j'ai aussi le grand privilège d'apporter certains commentaires sur les principaux changements qui ont pris place dans l'administration de la Loi sur les accidents du travail. Ces changements ont, dans une grande mesure, façonné le travail réalisé cette année à la Commission.

Rajustements importants dans l'administration de la Loi sur les accidents du travail

manière d'administrer la Loi sur les accidents du travail dans le but d'améliorer le service que la Commission fournit à ses clients — c'est-à-dire aux travailleurs blessés et aux employeurs de l'Ontario — ainsi qu'aux établissements de soins de la province. Bien que certains changements n'aient pu être entièrement réalisés avant 1985, l'année 1984 a tout de même été une année de préparation pour la Commission.

Le changement le plus significatif apporté en 1984 par la Commission des accidents du travail n'a vu le jour qu'à la fin de l'année. En effet, c'est le 4 décembre 1984 que la législature ontarienne a approuvé, en troisième

et dernière lecture, le projet de loi 101, *Loi modifiant la Loi sur les accidents du travail*. En traitant des structures et pratiques administratives de la Commission ainsi que des multiples avantages pour les travailleurs blessés, le projet de loi 101 contient les modifications les plus vastes en matière d'indemnisation pour les travailleurs de la province depuis que la Loi sur les accidents du travail a été votée en 1915.

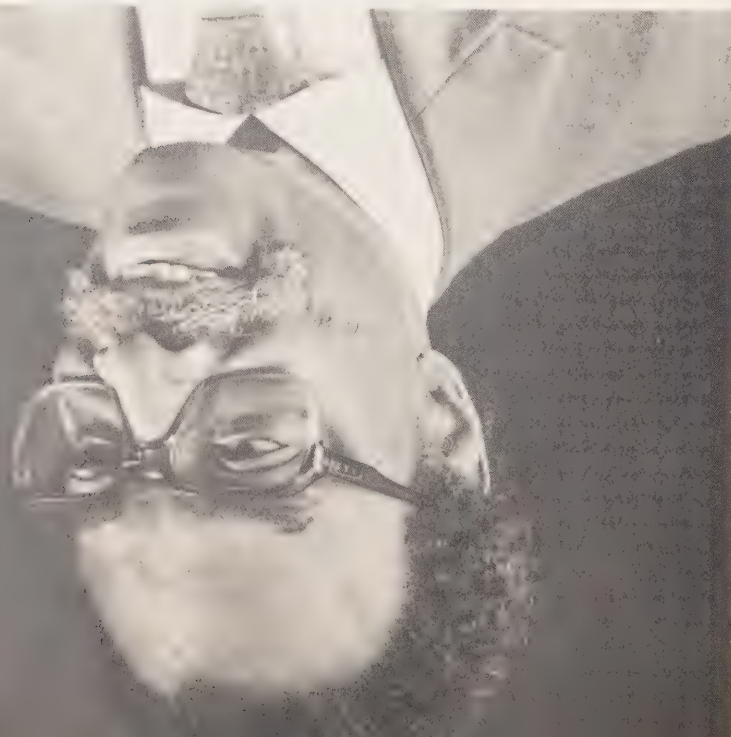
Les modifications se rapportant à la protection et aux indemnités entreront en vigueur le 1^{er} avril 1985, tandis que celles qui traitent de l'administration de la Commission entreront en vigueur à une date ultérieure. Je voudrais toutefois souligner que les préparatifs concernant ces changements étaient bien amorcés à la Commission durant le dernier semestre de l'année et, même avant 1984, dans certains cas.

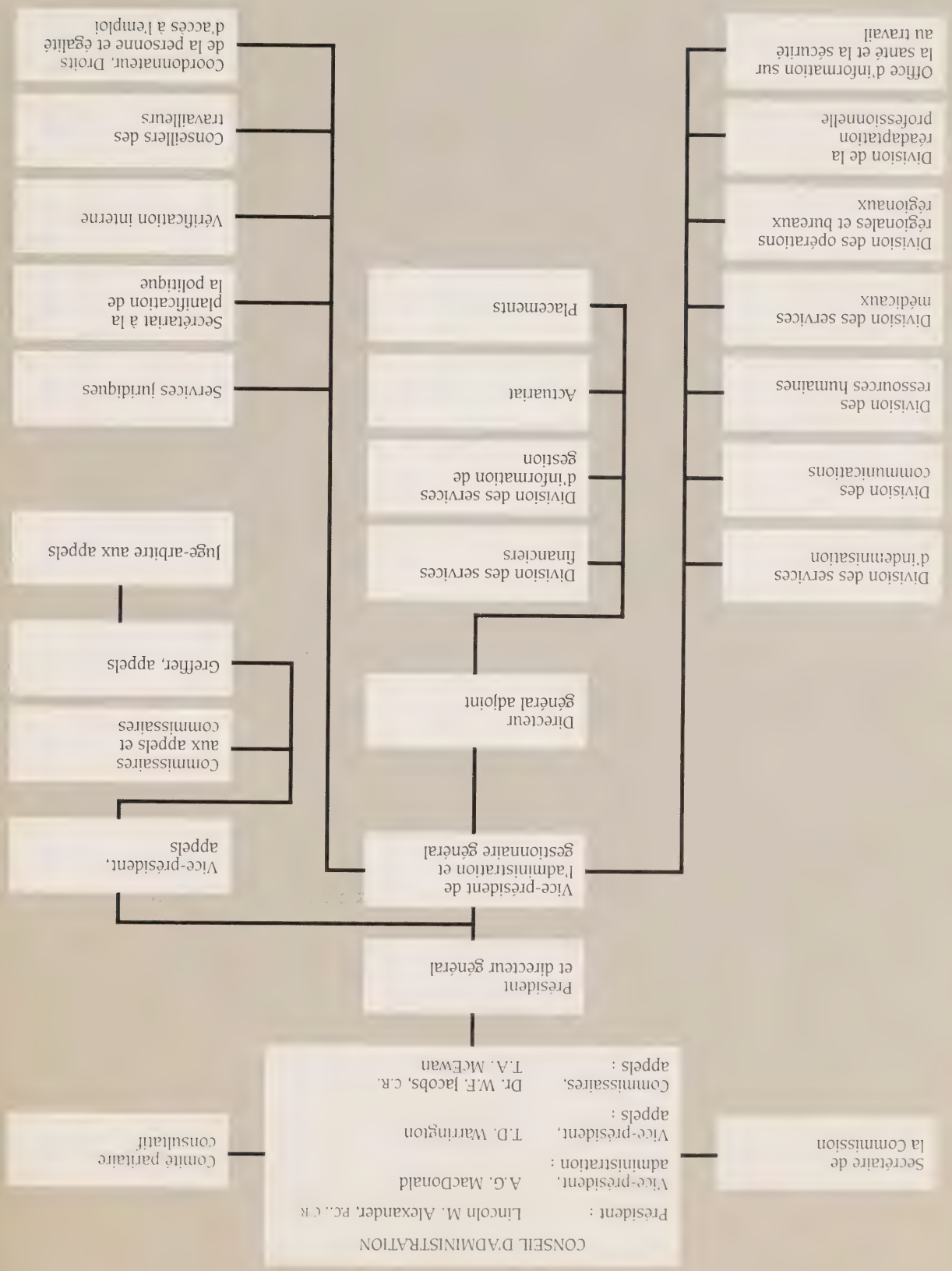
Résultat de la vaste révision de la loi et des débats entre les diverses parties intéressées

Le processus aboutissant au vote du projet de loi 101 a été long et laborieux et a commencé bien avant 1984. En effet, ce projet de loi est le résultat d'une étude entreprise avec le rapport que le Professeur Paul C. Weiler avait adressé en novembre 1980 au ministre du Travail d'alors, l'Honorable Robert G. Elgie. Ce rapport était intitulé *La réforme de la Loi sur les accidents du travail de l'Ontario*.

Le rapport, le livre blanc en résultant ainsi que l'ébauche de loi reposant sur les 21 propositions du Pr. Weiler ont été publiés en juin 1981 à des fins de discussion. Une année plus tard, la législature ontarienne a demandé au Comité permanent pour le développement des ressources d'étudier ces rapports.

Lincoln M. Alexander





1984 1985 (en milliers de \$)

Incidents déclarés comme lésions subies au travail 48 435 000 \$ 41 800 000 \$

ANNEXE 1 DE LA LOI - INDEMNITÉS PAYÉES

CONFORMÉMENT À L'ANNEXE 1

Aide médicale payée 101 099 \$ 117 579 \$
 Indemnités payées 410 543 465 054
 Réadaptation payée 18 852 21 615
 Pensions payées (Sommes accordées en 1984 - 308 296 \$; en 1983 - 263 910 \$) 237 235 271 184

INDEMNISATION DES VICTIMES DE SILICOSE

Aide médicale payée 76 \$ 52 \$
 Indemnités payées 58 38
 Réadaptation payée - -
 Pensions payées (Sommes accordées en 1984 - 461 \$; en 1983 - 848 \$) 4 201 3 832

AMENDEMENTS LÉGISLATIFS

Exercice courant 147 000 \$ 254 000 \$
 Exercices futurs 200 000 350 000

Total des indemnités conformément à l'Annexe 1 de la Loi 1 119 064 \$ 1 483 354 \$

ANNEXE 2 DE LA LOI SUR LES ACCIDENTS DU TRAVAIL ET DE LA LOI RÉGISSANT L'INDEMNISATION DES EMPLOYÉS DU GOUVERNEMENT FÉDÉRAL, INDEMNITÉS PAYÉES CONFORMÉMENT À L'ANNEXE 2

Aide médicale payée 10 766 \$ 12 334 \$
 Indemnités payées 27 603 31 189
 Réadaptation payée 783 1 129
 Pensions payées 27 547 30 210

Indemnités payées directement par les employeurs relevant de l'Annexe 2 21 330 \$ 24 395 \$
 Total des indemnités payées conformément à l'Annexe 2 99 257 \$ 99 257 \$

TOTAL DES INDEMNITÉS - ANNEXES 1 ET 2

Total des sommes payées (à l'exclusion des augmentations légifiées ci-dessus) 978 611 \$ 978 611 \$
 Augmentations légifiées 347 000 \$ 604 000 \$
 Total des sommes payées et des augmentations légifiées 1 207 093 \$ 1 582 611 \$

* Masse salariale estimative rajustée

NOTES
Page 100
100-100

La Commission des accidents du travail, fondée en 1915 comme organisme indépendant, est chargée de l'administration de la Loi sur les accidents du travail de l'Ontario et de ses règlements.

La Commission prélève auprès des employeurs de la province les fonds nécessaires au versement des indemnités des travailleurs blessés au travail ou atteints d'une maladie professionnelle.

L'indemnisation sert à payer les frais médicaux, les pensions d'invalidité permanente et les prestations de décès aux survivants à charge, à compenser une perte de rémunération en cas d'accident de travail ou de maladie professionnelle et à défrayer le coût des nombreux services en matière de réadaptation professionnelle et fonctionnelle. De plus, la Commission patrine un grand nombre d'activités dans le domaine de la prévention des accidents et elle finance neuf associations provinciales en matière de sécurité.

L'Honorable John B. Aird, O.C., C.R., B.A., LL.D., Lieutenant-gouverneur de l'Ontario
Le Commission des accidents du travail a le plaisir de vous présenter son rapport annuel pour l'exercice de 1984.
L'Honorable Lincoln M. Alexander, C.P., C.R., Président

TABLE DES MATIÈRES

| | |
|----|-------------------------------------|
| 1 | Sommaire des activités |
| 2 | Structure administrative |
| 3 | Rapport du président |
| 8 | Données et chiffres |
| 14 | Bureaux de la Commission en Ontario |
| 15 | États financiers |

Voici le nom des employés de la Commission dont la photo apparaît dans le rapport annuel :

En page couverture : (de gauche

à droite)

Paul Murdoch,

Office d'information sur la santé et la sécurité

au travail

Lorenzo San Pedro,

Division des services financiers

Delta Connolly,

Division des services d'indemnisation

À la page 4 : (en haut)

Pat Lamanna,

Division de réadaptation professionnelle

ibby Basaran,

Veronica Walloo, Bill Rattan et

À la page 6 : (de gauche à droite)

Actuarial

John Neal,

À la page 5 : (en bas)

Division des services médicaux

Dr. Neva Hilliard,

À la page 5 : (en haut)

Paul Murdoch

Delta Connolly, Lorenzo San Pedro,

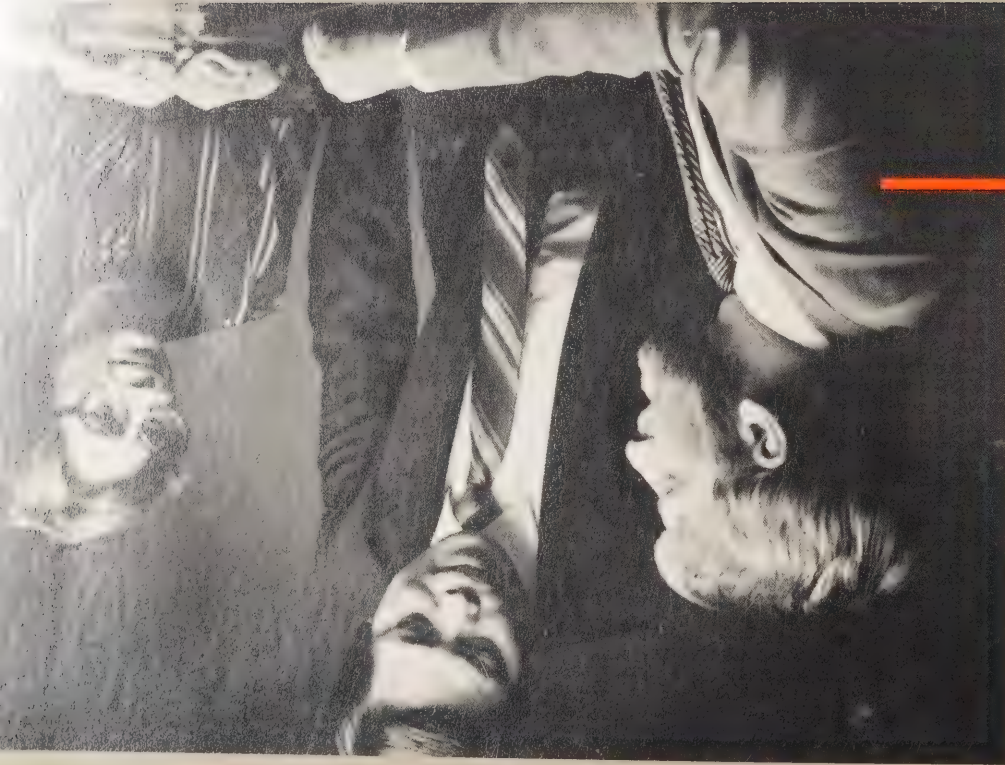
à droite)

À la page 4 : (en bas, de gauche



Workers' Compensation Board
Commission des accidents
du travail

Rapport annuel 1984



Nous travaillons
ensemble...

CA2ØN

L90

- A56

6. 10. 1985

Annual
Report
1985



The Workers' Compensation Board, established as an independent board in 1915, is responsible for administering the Workers' Compensation Act and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment of health care expenses, payment for loss of wages that may result from the injury or disease, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a wide variety of accident prevention activities and funds nine provincial safety associations.

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1985.

Robert G. Elgie, M.D., Q.C., Chairman

CONTENTS

| | |
|---------------------------|----|
| Summary of Operations | 1 |
| Message from the Chairman | 3 |
| The Year in Review | 4 |
| Unfunded Liability | 9 |
| Facts and Figures | 10 |
| Financial Statements | 25 |



Workers'
Compensation
Board

Commission
des accidents
du travail

2 Bloor Street East
Toronto, Ontario
M4W 2C1

WORKERS' COMPENSATION BOARD - SUMMARY OF OPERATIONS

Year Ended December 31, 1985

| | 1985 | 1984 |
|--|---------------|---------------|
| Payroll upon which assessment revenue was based | *\$52,228,000 | *\$48,435,000 |
| Incidents reported as work injuries | 426,880 | 388,845 |
| SCHEDULE 1 OF THE ACT | | |
| SCHEDULE 1 BENEFITS PAID | | |
| Health care paid | \$ 137,568 | \$ 117,579 |
| Compensation paid | 512,951 | 465,624 |
| Rehabilitation paid | 23,597 | 21,045 |
| Pensions paid (Awarded 1985 - \$314,480; 1984 - \$308,296) | 308,538 | 271,184 |
| | \$ 982,654 | \$ 875,432 |
| SILICOSIS BENEFITS | | |
| Health care paid | \$ 81 | \$ 52 |
| Compensation paid | 84 | 38 |
| Rehabilitation paid | — | — |
| Pensions paid (Awarded 1985 - \$427; 1984 - \$461) | 3,805 | 3,832 |
| | \$ 3,970 | \$ 3,922 |
| Total | \$ 986,624 | \$ 879,354 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | \$ 1,130,000 | \$ 1,040,000 |
| Total benefits under Schedule 1 of the Act | \$ 2,116,624 | \$ 1,919,354 |
| SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | |
| SCHEDULE 2 BENEFITS PAID | | |
| Health care paid | \$ 14,137 | \$ 12,334 |
| Compensation paid | 34,373 | 31,189 |
| Rehabilitation paid | 1,305 | 1,129 |
| Pensions paid | 34,416 | 30,210 |
| | \$ 84,231 | \$ 74,862 |
| Compensation paid directly by Schedule 2 employers | \$ 26,350 | \$ 24,395 |
| Total benefits paid under Schedule 2 | \$ 110,581 | \$ 99,257 |
| TOTAL BENEFITS - SCHEDULES 1 AND 2 | | |
| Total payments (exclusive of provision for increase above) | \$ 1,097,205 | \$ 978,611 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | \$ 1,130,000 | \$ 1,040,000 |
| Total payments and provision for increase | \$ 2,227,205 | \$ 2,018,611 |

*Estimated adjusted payroll



My tenure as chairman began almost three quarters of the way through 1985. It is appropriate, therefore, that I first say thank you to my predecessor, Colonel The Honourable Lincoln M. Alexander, P.C., Q.C., for his stewardship of the Workers' Compensation Board throughout the greater part of 1985 and in the four previous years.

As chairman, Mr. Alexander will be remembered by injured workers and employers as a compassionate administrator, and by Board staff as an energetic spokesman and committed leader. I am honoured to succeed him.

Mr. Alexander's last year with the Board, and my first, was unprecedented for the scope and substance of modifications made to Ontario's compensation system and, of equal importance, as a consequence of the efforts of Board staff. The stage has been set for the creation of an even more equitable and compassionate system, one which responds to the legitimate needs of injured workers in a fiscally responsible manner.

When considering the future of workers' compensation in the province, I believe a major impact will be felt as a result of the creation, in 1985, of a new Board of Directors to manage and govern the Board. Its members represent employers, workers, professional persons and the public at large, and it is they who will ensure that the groups they represent have the opportunity to participate directly in establishing policies and procedures for workers' compensation.

I look forward to working closely with the men and women selected by the Lieutenant Governor in Council — Charles Clark, Clara de Carvalho, Gérard Docquier, Joseph Duffy, Stephen Hessian, Elizabeth Kaegi, Silvia Mecozzi, Douglas Peters, Robert Stanbury and ex-officio member S.R. Ellis — in forging a compensation system second to none in the world today with respect to fairness and fiscal responsibility.

Robert G. Elgie, M.D., Q.C., Chairman
Workers' Compensation Board

Ontario's workers' compensation system in 1985 was, in many ways, dominated by the impact of three bills which were passed in the provincial legislature.

Bill 101, An Act to amend the Workers' Compensation Act, which received royal assent at the close of 1984, came into effect in 1985, bringing with it sweeping changes to benefits for injured workers and their families and to the administrative structure of the Workers' Compensation Board. Bill 32 increased survivors' benefits to the families of workers who died on or before June 30, 1985. Bill 81, which was passed in December, 1985, brings annual indexing to bear on average earnings, effective January 1, 1986.

The Workers' Compensation Board invested considerable time and energy during the year to ensure the smooth and effective implementation of these very significant changes. Bill 101, in particular, placed heavy demands on the Board, with the most far-reaching amendments to workers' compensation in the province since the Workers' Compensation Act came into effect in 1915.

In brief, Bill 101 resulted in several major adjustments to coverage and benefits, for occupational accidents or diseases occurring on or after April 1, 1985:

- the ceiling on annual earnings covered was raised to \$31,500, from \$26,800;
- domestic workers now have the right to coverage under the Workers' Compensation Act;
- employers must pay the injured worker's wages and benefits for the day of injury in lost-time claims;
- temporary and permanent disability pension payments are calculated on the basis of 90 per cent of the worker's net average earnings, rather than on the previous 75 per cent of gross earnings;
- a dual award system for survivors' benefits was instituted, comprised of a lump sum and continuing payments;
- surviving spouses are eligible for the same counselling and vocational assistance as is provided to injured workers.



In addition to changes in coverage and benefits, Bill 101 altered the administrative framework of Ontario's compensation system. As of October 1, 1985, overall direction of the Workers' Compensation Board became the responsibility of a new and expanded Board of Directors, consisting of a full-time chairman and vice-chairman, nine external part-time directors, and an ex-officio member. This Board replaces the internal Corporate Board.

Dr. Robert G. Elgie, newly appointed chairman of the Workers' Compensation Board, and Alan G. MacDonald, vice-chairman of administration and general manager, are the chairman and vice-chairman, respectively, of the Board of Directors. Directors were appointed by the Lieutenant Governor in Council and represent the various interests in workers' compensation — namely workers, employers, professionals and the general public. The ex-officio member, S.R. Ellis, is chairman of the new Workers' Compensation Appeals Tribunal.

The mandate of the Board of Directors is to provide feedback to these same interest groups on Workers' Compensation Board policies, actions, and other concerns; to establish assessment policies for the WCB, to examine and approve annual operating and capital budgets; to review and authorize major changes in Board programs; and to advise the Ontario government in the shaping of social policy with respect to workers' compensation.

Effective October 1, 1985, the final level of appeal of a Board decision is now in the hands of an independent and external tripartite tribunal, known as the Workers' Compensation Appeals Tribunal (WCAT). The Board's internal decision review process was amended in order to accommodate the change, and to continue to ensure a responsive system of redress within the Board for workers and employers.

Anyone whose interests are affected by a decision made by an operating area of the Board has the right to object to that decision at any time. As of October 1, 1985, objections are directed to the area in which the decision originated, where a counsellor, adjudicator or co-ordinator has the opportunity to change the decision.

If it is felt there are insufficient grounds to change it, the objection is referred to the decision review branch of the Board's new review services. A decision review specialist will then consider the objection, examine the facts and conduct any necessary inquiry, which may include personal contact with the parties involved, before reaching a decision.

When the objection concerns a decision which denies entitlement to benefits in a new claim, a reopened claim or a request for commutation of a pension, the review specialist will either reverse the decision and grant benefits or refer the objection to the Board's hearings branch for a prompt hearing. Objections to decisions made by review specialists are also forwarded to the hearings branch.

Any decision made by a hearings officer can, in turn, be appealed to the Workers' Compensation Appeals Tribunal. This thorough process guarantees a fair review of every objection received.

Other administrative changes brought about by Bill 101, effective October 1, 1985, include expansion and externalization of the Office of the Worker Adviser under the Ministry of Labour (previously a service of

the Workers' Compensation Board); the creation of an Office of the Employer Adviser, also independent of the Board; and the establishment of a new and independent Industrial Disease Standards Panel, which will provide valuable research and advice to the Board on industrial diseases and their compensation in the province.

The Industrial Disease Standards Panel, to be chaired by Dr. James Ham, will consist of up to nine members appointed by the Lieutenant Governor in Council from the technical, scientific and professional communities, as well as from the general public. Under the Workers' Compensation Act, the panel is empowered to investigate possible industrial diseases, make findings as to their cause or connection with industrial processes, and review and develop criteria for the evaluation and adjudication of workers' compensation claims.

All findings and recommendations made to the Board will be open to public response before they are acted on. This consultative

process will allow the Board to consider public opinion and obtain the best available medical and technical advice in identifying industrial diseases and in setting appropriate policies and procedures for their adjudication.

Another provision of Bill 101 with far-reaching implications is that the Board, "where appropriate", make all services under the Act "available in the French language." To this end, the Workers' Compensation Board established a French translation bureau in May, 1985.

The bureau immediately commenced translation of the many Board forms, letters to clients who requested correspondence in French, and information brochures. To date, some 1,082 forms and 24 items of literature are available in French, and a large volume of information continues to be translated.

In addition, staff positions at the Board requiring bilingual skills were identified and are being filled with bilingual personnel, thus ensuring the delivery of Board services in both French and English. A French language training program for Board employees was also introduced, with training to begin in 1986.

In that these amendments represent substantial changes to the province's workers' compensation system, a comprehensive communications plan was implemented by the Board to inform workers and employers. Three paid television commercials were aired over 26 weeks, and two public service announcements received extensive free air time. Newspaper ads featured a toll-free telephone number and a form to send in for more information.



By the end of the year, the Board had received close to 25,000 requests for a variety of Bill 101-related information and had sent out more than 75,000 pieces of literature. Staff participated in several hundred speaking engagements across the province on the subject of Bill 101.

The Board's claims services developed policies and procedures for the adjudication of claims under the amended Workers' Compensation Act, and helped to create the new computer systems necessitated by these changes. A comprehensive training

program was undertaken, as in other areas of the Board, to acquaint staff with all aspects of the legislation and its effect on Board procedures. Training sessions were scheduled so as to minimize the disruption of Board services.

While implementing Bills 101, 32, and 81 commanded considerable attention by Workers' Compensation Board staff across Ontario in 1985, efficient performance of ongoing work was in no way compromised.

With a 9.8 per cent increase in claims volume over 1984, to 426,880 new claims, work loads increased substantially. In addition, many areas of the Board introduced significant new services.

Two administrative changes involving the Board's regional offices in Sudbury and London have increased their adjudicative independence. With the passage of Bill 101, any adverse decisions rendered by adjudicators in these offices are communicated by the appropriate office, effective October 1, 1985. And as a result of a feasibility study concluded in 1985, the adjudication of pension claims in the Sudbury and London regional offices will commence in 1986.

Computer technology played a role in developments with respect to medical services at the Board. A computerized system for the psychological assessment of injured workers was introduced at the Downsview Rehabilitation Centre in 1985, with positive response from both patients and staff. Computer-based tests, which are part of regular treatment, have enhanced the quality and quantity of such testing, as well as acceptability by patients. A computerized movement notation system, used to study human gait, formed the basis of one of several research projects underway at the Centre.

An early admission program for patients at the Downsview Rehabilitation Centre was fully implemented during the year. The program's aim is to place injured workers in need of treatment at the Centre in a medical and vocational rehabilitation program within six months of the injury, thereby facilitating their recovery and prompt return to the workforce.

The Board's vocational rehabilitation services benefited from a number of new endeavors in 1985. A policy and program development section was formed to reflect



the commitment to vocational rehabilitation policy development, program evaluation, staff training and research. An automated rehabilitation system is being created to facilitate research and planning.

In addition, staff training programs were expanded in 1985. Some 17 different programs were offered, including "Negotiating with Unions and Employers" and "Counselling Surviving Spouses and Dependents".

Benefits will also accrue to injured workers as a result of a successful pilot project on creative job search techniques. A similar but more comprehensive "job club" was tested as well, with the potential for wider application to be assessed in 1986.

The Board's worksite analysis service, introduced in 1984, was refined and expanded during 1985. This service provides expert worksite analysis to individual employers in the design or redesign of the workplace to accommodate rehabilitated workers. Vocational rehabilitation personnel also initiated meetings with joint labour-management committees to facilitate the return to work of disabled workers.

Special mention must be made of the Board's Occupational Health and Safety Education Authority (OHSEA), for which 1985 marked the first full year of operation. It is an aim of OHSEA to extend services to workers and employers not already covered by one of the nine provincial safety associations it oversees. Consistent with this, OHSEA worked with the Ontario Municipal Water Association (OMWA) and the Electrical Utilities Safety Association (EUSA) in 1985 in order to provide occupational health and safety education services to the 130 member firms of OMWA.

An Agreement was reached to begin a two-year experimental health and safety education program in the industry in 1986. The program will be administered by a seven-

person advisory committee, including five representatives from OMWA and one each from EUSA and OHSEA.

A similar program, extending occupational health and safety education services to municipalities throughout Ontario, will begin in 1986 for a three-year trial as a result of meetings between the Occupational Health and Safety Education Authority and the Ontario Municipal Administrators' Association.

In 1985, OHSEA mutually established budget guidelines and procedures with the safety associations reporting to it. The Board is confident these procedures will improve financial management within the safety associations and streamline the budget review process.

An audit of the Board's first aid program was conducted during the year at the request of OHSEA. An internal committee reviewed the report and made recommendations concerning the program and Regulation 950 (first aid requirements). In 1985, some 25,000 workers were trained in first aid at Board expense. A final report will be forwarded to the Board of Directors for approval.

In keeping with the Workers' Compensation Board's aim to assist organized labour in the development of effective occupational health and safety education programs, OHSEA began funding the Ontario Federation of Labour's health and safety education program in 1985. The Federation is accountable to the Board for this program in much the same way as are the provincial safety associations.

Major strides were taken by the Board in 1985 towards the goal of becoming a state-of-the-art user of computer technology. The Board's management information services upgraded essential hardware and software, replacing the obsolete 3081D CPU with IBM's most current technology, the 3090/200. An improved communications network will result in better systems response time and the ability to resolve systems-related problems more quickly, which translates into improved service to the province's injured workers and employers.

The Board is in the process of standardizing data processing, office automation and personal computing equipment to achieve software and communications compatibility between its various computer systems.



Among other important initiatives in 1985, 236 Wang workstations were installed, which can communicate with each other as well as with the central IBM data processing system, thereby reducing paper flow and improving communication with respect to decision-making.

Experience rating is used by the Board to refine the allocation of assessment charges to the province's employers. With the addition in 1985 of an experience rating plan for the forest products industry, the Board now administers three experience rating plans, affecting 51 of 109 rate groups.

The new plan for the forest products industry, called NEER (New Experimental Experience Rating Plan), is self-financing for each rate group because assessments (merits and demerits) are redistributed among eligible firms. NEER uses the ultimate cost of a firm's claims in a year (including overhead costs) and compares it with the employer's assessment for that year. The plan sets a unique employer assessment rate, partly based on the firm's past experience. This provides both direct and immediate incentive for improved safety and rehabilitation efforts on the part of employers.

Effective January 1, 1985, executive officers of companies who wish to obtain coverage under the Workers' Compensation Act must choose a specific amount of coverage based on annual earnings (subject to a minimum and maximum). This provides the Board with a consistent earnings base for all individuals electing personal coverage, including sole proprietors, partners, independent operators and their spouses. Prior to 1985, coverage for executive officers was based on actual earnings, while personal coverage for all others eligible was based on an elected amount.

Spouses of sole proprietors, partners and independent operators who receive a stated wage for work performed in the business were, in 1985, deemed workers under the Workers' Compensation Act and are therefore eligible for coverage. Spouses who do not receive a stated wage are treated as partners and may apply for personal coverage. This administrative change provides equity in the treatment of spouses under the Act.

As an equal opportunity employer, the Workers' Compensation Board is committed to ensuring equity in its own workplace. In 1985, the Board's internal human rights and equal opportunity program was renamed the employment equity program as a reflection of this.

Employment equity means a firm commitment on the Board's part to providing equal opportunity for employment and employment advancement to all individuals. A 13.0 per cent increase in the number of women in the Board's management and senior administrative salary range in 1985 testifies to the strength of this commitment, bringing women's representation at this level to 41.6 per cent.

A total of 23 individuals with disabilities were placed in temporary or permanent positions at the Board during the year, while 26 employees were provided with technical aids or workplace modifications to assist them in fulfilling the requirements of their job.

Since the Workers' Compensation Act came into effect in 1915, the Board's motto has been "Justice and humanity, speedily rendered." This commitment is today reflected in both the equitable treatment of Board staff and their dedicated service to the injured workers and employers of the province.

The many important changes which took place at the Workers' Compensation Board in 1985 further demonstrate the adherence to this goal, as the Board continues to make Ontario's compensation system more responsive to the needs of those it serves.



In its 1983 annual report, the Workers' Compensation Board disclosed the nature of its steadily rising unfunded liability — the gap between the lump sum required to meet the Board's obligations to injured workers and the Board's current assets available to pay these future costs. The unfunded liability has grown over the past 10 years for a number of reasons; namely, no pre-funding for ad hoc, inflation-related legislated increases in benefits, rising persistency rates (average days on benefit) and, more recently, increased injuries, restraints on assessment rate increases, and the effects of the 1982/1983 recession, which reduced the assessment base.

Bill 81, passed by the Ontario legislature in December, 1985, has removed the major uncertainty concerning the Board's finances, while at the same time preserving the purchasing power of injured workers' benefits. The Bill formalized ad hoc increases to benefits which began in 1974 and which made it impractical, if not impossible, for the Board to pre-fund future increases. Because the Board now knows that benefits will increase each January using the Consumer Price Index, it can pre-fund future increases.

This is not to say, however, that the Board has deficits in the usual sense of the word. It has never borrowed in order to cover current debts. The problem has been that the growth in the Board's financial obligations to injured workers has outpaced the growth in assets. This occurred because the Board considered it impractical to set assessment rates high enough to cover fully such factors as inflation-proof benefits, increases in persistency rates, and the recent surge in the number of injuries.

By way of example, the Board's actuaries estimate that, without any form of indexing, the Board will eventually pay out \$2.3 billion with respect to benefits and services for 1986's new injuries. Given Bill 81's provisions, and an average annual inflation rate of six per cent, the payout increases to \$6.9 billion. The lump sum required to cover the non-indexed payout is \$1.3 billion (investment income of 9.2 per cent per annum will cover the remaining \$1.0 billion). The lump sum required for the indexed payout, on the other hand, is \$1.7 billion. In terms of assessment rates, these lump sums represent \$2.10 per \$100 of payroll for non-indexed payouts, and \$2.71 for indexed payouts. (These rates make no provision for retiring the unfunded liability.)

With a 1985 average assessment rate of \$2.31 (some 34 per cent higher than in 1982), and inflation and persistency in-

creases which apply to both old and new injuries, it is clear why the Board's unfunded liability grew to \$5.4 billion in 1985, or almost 10 per cent of employers' assessable payrolls.

Looking to the future, the Board's actuaries have determined that the 1984 strategy for 15 per cent rate increases in each of 1985, 1986 and 1987 will allow many rate groups to retire their indexed unfunded liability by the year 2014, if the following conditions hold true:

- Future benefit levels keep pace with inflation;
- Persistency rates go no higher than 1985 levels;
- Injury frequency rates go no higher than 1985 levels;
- The Schedule 1 work force grows at about one per cent per year;
- Wages increase at about one per cent per year more than inflation;
- Board assets yield three per cent per year net of inflation.

In conclusion, it is important to note that this strategy will still create large increases in the Board's unfunded liability for some time. Given all of the assumptions listed, the unfunded liability will increase by more than \$300 million in 1987. Indeed, it will be 2003 before the first surplus appears.

Statistical Record of Claims Process

The year 1985 at the Workers' Compensation Board was marked by a significant increase in the volume of claims. New claims reported across Ontario increased by 9.8 per cent to 426,880 claims, from 388,845 new claims in 1984.

Of total claims, 28,361 and 16,362 new claims were reported to the Board's regional offices in London and Sudbury respectively, while the remainder were

reported to the Board's Toronto head office.

In 1985, 44.2 per cent (188,461) of total new claims were accepted as lost-time claims, involving time off work and compensation payments. An additional 48.5 per cent (207,104) were accepted as no lost-time claims, for accidents which necessitated health care treatment but no time off work beyond the day of the accident.

Volume and Type of Claims, 1980-1985

Number of Claims and Percentage of Total Claims

| | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Allowed lost-time claims | 165,221 | 37.1 | 163,366 | 39.4 | 148,713 | 42.5 | 147,666 | 42.8 | 172,002 | 44.2 | 188,461 | 44.2 |
| Allowed no lost-time claims | 246,255 | 55.4 | 222,374 | 53.6 | 183,990 | 52.6 | 175,871 | 51.0 | 192,919 | 49.6 | 207,104 | 48.5 |
| Denied claims | 28,332 | 6.4 | 25,582 | 6.1 | 15,842 | 4.5 | 16,989 | 4.9 | 20,343 | 5.2 | 24,020 | 5.6 |
| Other (including withdrawn or pending claims) | 4,866 | 1.1 | 3,722 | 0.9 | 1,202 | 0.4 | 4,232 | 1.3 | 3,581 | 1.0 | 7,295 | 1.7 |
| Total claims | 444,674 | 100.0 | 415,044 | 100.0 | 349,747 | 100.0 | 344,758 | 100.0 | 388,845 | 100.0 | 426,880 | 100.0 |

80 81 82 83 84 85

New permanent disability pension awards during 1985 totalled 25,360, up 6.8 per cent from 23,746 in 1984. This figure includes pensions for life as well as provisional awards and special supplements, but excludes lump sum awards for permanent disability. Of total awards, 34.0 per cent were for a disability rating of 50.1

to 99.9 per cent, while 25.3 per cent were for a disability rating of 10.0 per cent or less.

The number of active disability pension awards on file at the end of the year increased to 103,130 from 94,737 in 1984, up 8.9 per cent.

New Pension Awards in a Year by Percentage of Permanent Disability, 1980-1985*

Number of Awards and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 4,491 | 35.3 | 4,690 | 32.2 | 5,867 | 32.2 | 6,156 | 30.7 | 6,736 | 28.4 | 6,417 | 25.3 |
| 10.1% to 20.0% | 3,326 | 26.1 | 3,906 | 26.8 | 4,515 | 24.8 | 4,746 | 23.6 | 6,071 | 25.6 | 5,711 | 22.5 |
| 20.1% to 50.0% | 2,577 | 20.2 | 3,005 | 20.7 | 3,247 | 17.8 | 2,940 | 14.6 | 3,625 | 15.2 | 4,452 | 17.6 |
| 50.1% to 99.9% | 2,155 | 17.0 | 2,782 | 19.1 | 4,379 | 24.0 | 6,046 | 30.1 | 7,174 | 30.2 | 8,626 | 34.0 |
| 100.0% | 177 | 1.4 | 168 | 1.2 | 214 | 1.2 | 193 | 1.0 | 140 | 0.6 | 154 | 0.6 |
| Total awards | 12,726 | 100.0 | 14,551 | 100.0 | 18,222 | 100.0 | 20,081 | 100.0 | 23,746 | 100.0 | 25,360 | 100.0 |

*Includes life, provisional awards and special supplements, but excludes lump sum awards for permanent disability.

80 81 82 83 84 85

Active Pension Awards at December 31 of each Year by Percentage of Permanent Disability, 1980-1985*

Number of Awards and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 0.0% and less | 24,235 | 37.4 | 26,426 | 37.6 | 29,719 | 38.2 | 33,149 | 38.7 | 36,959 | 39.0 | 40,404 | 39.2 |
| 0.1% to 20.0% | 25,672 | 39.6 | 27,541 | 39.2 | 29,957 | 38.5 | 32,553 | 38.0 | 36,025 | 38.0 | 39,221 | 38.0 |
| 0.1% to 30.0% | 6,874 | 10.6 | 7,574 | 10.8 | 8,437 | 10.8 | 9,114 | 10.6 | 9,913 | 10.5 | 10,848 | 10.5 |
| 0.1% to 50.0% | 4,553 | 7.0 | 4,902 | 7.0 | 5,260 | 6.8 | 5,544 | 6.5 | 5,858 | 6.2 | 6,377 | 6.2 |
| 0.1% and more | 3,487 | 5.4 | 3,757 | 5.4 | 4,440 | 5.7 | 5,291 | 6.2 | 5,982 | 6.3 | 6,280 | 6.1 |
| Total awards | 64,821 | 100.0 | 70,200 | 100.0 | 77,813 | 100.0 | 85,651 | 100.0 | 94,737 | 100.0 | 103,130 | 100.0 |

*Includes life, provisional awards and special supplements, but excludes lump sum awards for permanent disability.

80 81 82 83 84 85

Active Pension Awards at December 31 of each Year by Beneficiary, 1980-1985*

Number of Awards and Percentage of Total Awards

| Beneficiary | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|-------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|----------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| Injured workers | 64,821 | 86.7 | 70,200 | 87.8 | 77,813 | 88.8 | 85,651 | 89.7 | 94,737 | 90.6 | 103,130 | 91.3 |
| Surviving adults | 5,242 | 7.0 | 5,258 | 6.6 | 5,295 | 6.0 | 5,360 | 5.6 | 5,382 | 5.1 | 5,425 | 4.8 |
| Surviving children | 3,195 | 4.3 | 2,984 | 3.7 | 2,894 | 3.3 | 2,756 | 2.9 | 2,642 | 2.5 | 2,467 | 2.2 |
| Other (includes clothing allowance) | 1,490 | 2.0 | 1,545 | 1.9 | 1,625 | 1.9 | 1,728 | 1.8 | 1,836 | 1.8 | 1,980 | 1.7 |
| Total awards | 74,748 | 100.0 | 79,987 | 100.0 | 87,627 | 100.0 | 95,495 | 100.0 | 104,597 | 100.0 | 113,002 | 100.0 |

*Includes life, provisional awards and special supplements, but excludes lump sum awards for permanent disability. Includes disability pensions and survivors' pensions.

There were 193* allowed fatal claims by year of death in 1985, compared with 234 the previous year.
(*preliminary figure)

Industrial Fatalities, 1980-1985

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------|------|------|------|------|------|------|
| Fatalities | 311 | 265 | 226 | 232 | 234 | 193* |

*Preliminary figure

NOTE:

- 1) Represents allowed claims for fatalities based on the year of death of the worker;
- 2) Includes deaths arising out of occupational illnesses and injuries;
- 3) Allowed fatal claims are subject to slight change with time as new allowed claims are assigned to the year of death.

In 1985, 98.0 per cent of uncomplicated claims were processed, and the first compensation cheque issued, within three working days of the Board's receipt of accident notification. Some 84.6 per cent of claims

instituted on a doctor's first report were processed within 10 working days, while 82.5 per cent of complicated claims were processed within 30 working days.

Claims Response Times, 1980-1985*

| Uncomplicated Claims (Instituted on employer's report) | | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|--|------|------|------|------|------|-------|
| | | % | % | % | % | % | % |
| % of claims paid within... | | | | | | | |
| 3 workdays | | 94.6 | 95.3 | 95.7 | 96.1 | 96.8 | 98.0 |
| 4 workdays | | 96.6 | 98.1 | 98.7 | 97.9 | 97.8 | 99.0 |
| 5 workdays | | 96.9 | 98.8 | 99.2 | 98.5 | 98.8 | 99.3 |
| Claims Instituted on Doctor's First Report | | | | | | | |
| Requiring additional reports from employer/employee) | | | | | | | |
| % of claims paid within... | | | | | | | |
| 10 workdays | | 58.1 | 44.4 | 60.6 | 92.9 | 89.7 | 84.6 |
| 20 workdays | | 78.2 | 67.5 | 86.1 | 98.4 | 98.1 | 97.5 |
| 30 workdays | | 91.9 | 82.8 | 94.9 | 99.4 | 99.1 | 100.0 |
| Complicated Claims (Needing inquiries or full field investigations) | | | | | | | |
| % of claims paid within... | | | | | | | |
| 10 workdays | | 22.1 | 35.1 | 36.0 | 36.8 | 36.8 | 37.0 |
| 20 workdays | | 50.6 | 62.2 | 67.5 | 66.6 | 65.9 | 67.5 |
| 30 workdays | | 75.3 | 76.9 | 82.0 | 84.3 | 84.0 | 82.5 |

*A comparison over six years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.

NOTE: Claims excluded:

- 1) claims in which there was a change in status from "no lost-time" to "lost-time";
- 2) hernia claims;
- 3) industrial disease claims.

The average duration on benefit in 1985, or average number of workdays injured workers were on temporary

total compensation, was 34.9 days (7.0 weeks), down from 38.1 workdays in 1984.

Average Duration on Benefit, 1980-1985*

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---------------------------------------|------|------|------|------|------|------|
| Average number of workdays on benefit | 23.4 | 26.4 | 30.3 | 37.4 | 38.1 | 34.9 |
| Converted to weeks on benefit | 4.7 | 5.3 | 6.1 | 7.5 | 7.6 | 7.0 |

These are the average workdays on benefit, or temporary total compensation, for compensation claims which were closed or initially settled in the year involved. They are not persistency values, which is a term used by the Board's actuarial services for costing purposes.



80 81 82 83 84 85

From January 1 to October 1, 1985*, during which the Board's previous appeals system was still in operation, any claim in which a claims adjudicator recommended denial of entitlement, and any objections to a decision limiting entitlement, were automatically referred for review by the Board's claims review branch. During this period, there were 25,641 such referrals, an increase of 10.3 per cent over the same period in 1984. Claims adjudicators' recommendations were confirmed in 55.9 per cent of claims. In the remainder, recommendations were reversed or additional inquiry was requested. (*Data for the transitional period October 1 to December 31, 1985, under the Board's new system of review, was unavailable at the time of printing.)

From January 1 to October 1, 1985, appeal boards held 884 hearings, a 1.6 per cent decrease from the same period in 1984. Appeals adjudicators held 4,634 hearings throughout 1985, a 25.5 per cent increase.

The Workers' Compensation Board's medical advisers examined 8.2 per cent more claim files in 1985 (155,831 files, from 144,079 in 1984) in order to provide medical opinions which would assist in the adjudication of individual claims. Industrial disease consultants reviewed 13.9 per cent more claims (17,528, from 15,389), while permanent disability examinations continued to rise, to 17,692 examinations (up 3.0 per cent).

The Board paid out \$146,032,809 in health care benefit accounts and related expenses during the year, an increase of 13.6 per cent. A total of 3,704,408 individual

Appeals adjudicators allowed or partially allowed 50.1 per cent of appeals decided during the year. Appeal boards allowed or partially allowed 35.6 per cent of appeals decided during their term of operation. To facilitate the preparation of an objection, injured workers or their representatives may request photocopies of their claim files when a disputable issue exists. Employers have the right of access only to those records which the Board deems relevant to the issue in dispute and, as of October 1, 1985, can receive copies of medical documentation only with the consent of the injured worker. Access to claim files, effective October 1, 1985, is available when an adverse decision has been rendered in one of the operating areas of the Board and an objection raised. In 1985, access to files totalled 13,421, a 33.0 per cent increase over the previous year.

service items were paid for with respect to the treatment of injured workers, up 31.6 per cent over 1984.

Admissions to the Board's 522-bed Downsview Rehabilitation Centre in 1985 were up by a significant 19.6 per cent, to 14,111 from 11,794 the previous year. Of these, 35.9 per cent more patients completed the Centre's full-treatment program, for a total of 9,438 injured workers (from 6,944 in 1984). Of those who completed the full-treatment program, 7,893 were medically fit to return to work, a success rate of 83.6 per cent in these complicated cases.

Full-Treatment Programs Completed at Downsview Rehabilitation Centre and Workers Medically Fit to Return to Work, 1980-1985

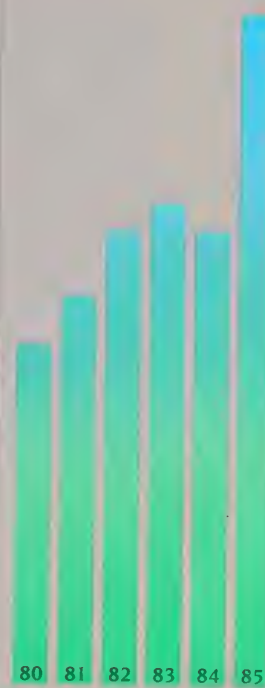
| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|-------|-------|-------|-------|-------|-------|
| Workers who completed full-treatment program | 5,955 | 6,126 | 6,059 | 6,520 | 6,944 | 9,438 |
| Workers medically fit to return to work | 4,594 | 4,639 | 4,651 | 5,188 | 5,731 | 7,893 |

A total of 11,269 injured workers across Ontario were referred for vocational rehabilitation services at the Board in 1985, compared with 7,633 in 1984. This substantial increase can, in part, be attributed to the early admission program at the Downsview Rehabilitation

Centre, an expanded vocational rehabilitation service program at the Centre, and improved communication between claims adjudicators, medical services staff and rehabilitation counsellors.

Injured Workers Referred for Vocational Rehabilitation, 1980-1985

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|-----------------|-------|-------|-------|-------|-------|--------|
| Injured workers | 5,707 | 6,545 | 7,656 | 8,126 | 7,633 | 11,269 |



Vocational rehabilitation staff at the Board were instrumental in rehabilitating 5,581 injured workers during the year, up 26.6 per cent over 1984 (4,410 rehabilitated). Of these, 4,874 workers were returned to work, and an additional 707, who will not be returning to employment, were assisted in achieving financial self-sufficiency. Of the 4,874 workers returned to work, 52.0 per cent (2,534) returned to a new employer, 41.7 per cent

(2,031) to the accident employer, and 6.3 per cent (309) were self-employed.

There were an additional 4,500 vocational rehabilitation cases during the year in which no further action was indicated, bringing the total number of cases closed in 1985 to 10,081, up 21.3 per cent from the previous year. A total of 9,467 cases remained active at year-end.

Injured Workers Rehabilitated, 1980-1985

| Injured Workers Employed With... | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Accident employer | 848 | 1,020 | 991 | 1,320 | 1,293 | 2,031 |
| New employer | 1,772 | 1,893 | 1,545 | 1,651 | 2,162 | 2,534 |
| Self-employed | 185 | 191 | 169 | 217 | 259 | 309 |
| Total employed | 2,805 | 3,104 | 2,705 | 3,188 | 3,714 | 4,874 |
| Assisted in becoming financially self-sufficient | 609 | 608 | 777 | 793 | 696 | 707 |
| Total rehabilitated | 3,414 | 3,712 | 3,482 | 3,981 | 4,410 | 5,581 |



In 1985, 5,291 job opportunities across Ontario were located by Board staff for use in the placement of rehabilitated workers, a 9.8 per cent increase over 1984 (4,820). Rehabilitated workers were placed, and an assessment or training-on-the-job program commenced,

in 1,990 of these jobs (37.6 per cent). More job opportunities are obtained than are filled in order to provide workers with a selection of jobs from which to choose the most suitable.

Injured workers participated in 4,499 assessments during the year, up 17.3 per cent, in order to help identify their interests, aptitudes and capabilities and to assist

in vocational planning and job placement. Some 2,614 training programs for injured workers were commenced, down 1.5 per cent from 1984.

Assessments and Training Programs Commenced, 1980-1985

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|-------------------|-------|-------|-------|-------|-------|-------|
| Assessments | 2,758 | 2,780 | 2,775 | 3,302 | 3,837 | 4,499 |
| Training programs | 2,246 | 2,319 | 2,451 | 2,400 | 2,654 | 2,614 |



Schedule 1 Accident Fund

Employers in Ontario who are covered under Schedule 1 of the Workers' Compensation Act contribute to a collective accident fund for the purpose of paying benefit expenses. The number of employers covered under Schedule 1 grew to 178,000 from 168,000 in 1984, up 6.0 per cent.

Assessment income in 1985 increased to \$1.33 billion

from \$1.06 billion in 1984, an increase of 25.4 per cent. The estimated payroll reported by Schedule 1 employers rose to \$52.2 billion from \$48.4 billion, a 7.9 per cent increase which can, for the most part, be attributed to a change in maximum assessable earnings in 1985 and increased wages across the province.

Changes in Assessment Income and Assessable Payroll, 1980-1985 (1980 = 100%)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---------------------------------------|---------|---------|---------|---------|-----------|-----------|
| Assessment income (Millions of \$) | \$529.0 | \$601.0 | \$704.0 | \$789.0 | \$1,060.0 | \$1,330.0 |
| Percentage change - Assessment | 100% | 114% | 133% | 149% | 200% | 251% |
| Total payroll (Billions of \$) | \$ 32.7 | \$ 37.4 | \$ 40.9 | \$ 42.3 | \$ 48.4 | \$ 52.2 |
| Percentage change - Total payroll | 100% | 114% | 125% | 129% | 148% | 160% |



The maximum payroll ceiling for assessment purposes in 1985 increased to \$31,500 from \$25,500. The ceiling on annual earnings covered was raised to \$31,500 from \$26,800.

The average rate of assessment for every hundred dollars of assessable payroll in 1985 was \$2.31, up 6.5 per cent over 1984. The 1985 rates ranged from a low of \$0.14 to a high of \$25.12 per \$100 of payroll.

Average Rate of Assessment for Schedule 1 Employers, 1980-1985
(rate per \$100 of payroll)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Average rate of assessment | \$ 1.65 | \$ 1.69 | \$ 1.77 | \$ 1.88 | \$ 2.17 | \$ 2.31 |
| Lowest rate of assessment | \$ 0.15 | \$ 0.20 | \$ 0.25 | \$ 0.26 | \$ 0.28 | \$ 0.14 |
| Highest rate of assessment | \$16.15 | \$18.00 | \$20.25 | \$21.85 | \$25.12 | \$25.12 |



The Schedule 1 average annual assessment per worker in 1985 was \$460. This average is based on 109 rate groups, which span a wide variety of industries in Ontario. It is bounded by a low of \$54 per worker and a high of \$7,500 per worker. The estimated average for 1986 is \$548, an average increase of 17 per cent.

The Board administers three experience rating plans, affecting 51 of 109 rate groups. There were 46,800 experience rating assessments issued to employers in

1985, of which 80 per cent received credits totalling \$32.2 million and 20 per cent received surcharges totalling \$27.4 million. The imbalance is caused by the fact that the CAD-7 plan for the construction industry, unlike other plans, is not self-financing. Under CAD-7, the amount of credits issued is greater than that of surcharges. Recently approved changes to the plan, however, are expected to bring it into balance for 1986.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's preexisting or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and health care benefit costs transferred to SIEF in 1985 totalled \$151,748,669, or 15.8 per cent of total Schedule 1 awards, down from \$156,172,643 in 1984.

The Board's net investment income increased to

\$186.4 million from \$176.2 million, up 5.8 per cent. The running yield on the long-term portfolio continued to improve, rising to 11.4 per cent from 11.0 per cent in 1984.

Assets in 1985 rose to \$2.5 billion from \$2.16 billion in 1984, an increase of 15.7 per cent. A total of 25 per cent of 1985 assessment charges was invested in Schedule 1 Accident Fund assets. Accident fund investments, valued at amortized cost adjusted for accumulated unamortized net losses, account for \$1.91 billion of this, and grew from \$1.70 billion the previous year.

Changes in the Accident Fund Investment Portfolio, 1980-1985
(percentage of total)

| | End of 1980 | End of 1981 | End of 1982 | End of 1983 | End of 1984 | End of 1985 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | % | % | % | % | % | % |
| Long-term bonds | 70.1 | 68.0 | 63.5 | 63.1 | 64.5 | 72.4 |
| Mortgages | 24.1 | 25.0 | 26.0 | 24.7 | 23.4 | 21.1 |
| Short-term securities | 5.8 | 7.0 | 10.5 | 12.2 | 12.1 | 6.5 |

80 81 82 83 84 85

Claims Profiles, 1980-1985

Charts to follow present detailed claims information in the province on the basis of claims "initially settled" in the year. This concept differs from the basis of claims information on previous pages of the Annual Report, which record "allowed new claims" by year of accident or year of death.

Initially settled claims are claims which are finalised or closed for the first time. A claim becomes settled when no further activity is anticipated — for example, when no further compensation payments are expected. Claims which are settled in a given year may be for accidents or diseases which occurred in previous years, although most claims are settled within a few weeks of the accident.

The use of settled or finalised claims as a basis of these statistics permits a more detailed breakdown of claims information, and is commonly used by other Boards across Canada.

Definitions of specific claims information presented here are as follows:

Temporary Total (T.T.) Compensation Claim — a T.T. claim is a claim which has been allowed for temporary total compensation benefits. This is commonly referred to as a lost-time claim.

Permanent Disability (P.D.) Claim — A P.D. claim is a claim in which a permanent disability award is made. Most P.D. awards are made for life. Initially settled P.D. claims are P.D. claims which are finalised in the year and the first settlement is for P.D. benefits. It does not include P.D. claims which are established after a claim is reopened and subsequently resettled.

Fatal Claim — A fatal claim is one in which a death claim is allowed. Initially settled fatal claims are fatal claims which are settled or finalised in the year, regardless of the year in which death occurred. It does not include fatal claims which are allowed after a claim is reopened and subsequently resettled.

Temporary Total Compensation Settled Claims by Nature of Injury and Disease, 1980-1985

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 52,546 | 33.9 | 45,008 | 29.4 | 43,551 | 30.3 | 37,847 | 29.2 | 65,150 | 42.3 | 83,341 | 47.9 |
| Contusions - intact skin | 21,699 | 14.0 | 17,817 | 11.6 | 16,929 | 11.8 | 13,991 | 10.8 | 26,334 | 17.1 | 37,108 | 21.3 |
| Cuts, lacerations, open wounds | 20,724 | 13.4 | 19,552 | 12.8 | 17,930 | 12.5 | 15,885 | 12.3 | 19,552 | 12.7 | 22,096 | 12.7 |
| Fractures | 9,941 | 6.4 | 7,588 | 4.9 | 7,258 | 5.1 | 5,785 | 4.5 | 7,180 | 4.7 | 7,580 | 4.4 |
| Scratches, abrasions | 6,038 | 3.9 | 5,702 | 3.7 | 4,867 | 3.4 | 4,197 | 3.3 | 4,937 | 3.2 | 5,828 | 3.3 |
| Burns or scalds (heat) | 4,273 | 2.8 | 4,083 | 2.7 | 3,744 | 2.6 | 3,259 | 2.5 | 3,787 | 2.5 | 4,251 | 2.4 |
| Hernia, rupture | 1,807 | 1.2 | 1,743 | 1.1 | 1,674 | 1.2 | 1,563 | 1.2 | 1,622 | 1.1 | 1,570 | 0.9 |
| Multiple injuries | 1,236 | 0.8 | 979 | 0.6 | 975 | 0.7 | 654 | 0.5 | 859 | 0.6 | 1,014 | 0.6 |
| Dislocation | 706 | 0.5 | 552 | 0.4 | 559 | 0.4 | 381 | 0.3 | 491 | 0.3 | 582 | 0.3 |
| Concussion - brain, cerebral | 623 | 0.4 | 385 | 0.3 | 381 | 0.3 | 270 | 0.2 | 353 | 0.2 | 350 | 0.2 |
| Amputation or enucleation | 806 | 0.5 | 615 | 0.4 | 557 | 0.4 | 302 | 0.2 | 344 | 0.2 | 306 | 0.2 |
| Electric shock, electrocution | 218 | 0.1 | 251 | 0.2 | 168 | 0.1 | 141 | 0.1 | 166 | 0.1 | 164 | 0.1 |
| Asphyxia, strangulation, drowning | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 30,264 | 19.3 | 44,436 | 29.0 | 40,835 | 28.3 | 41,575 | 32.1 | 18,966 | 12.3 | 4,635 | 2.7 |
| Total occupational injuries | 150,882 | 97.2 | 148,711 | 97.1 | 139,428 | 97.1 | 125,850 | 97.2 | 149,741 | 97.3 | 168,825 | 97.0 |
| Occupational Disease | | | | | | | | | | | | |
| Burn (chemical) | 1,224 | 0.8 | 1,196 | 0.8 | 1,036 | 0.7 | 928 | 0.7 | 962 | 0.6 | 1,176 | 0.7 |
| Ultraviolet rays, welders' flash | 1,087 | 0.7 | 989 | 0.7 | 892 | 0.6 | 573 | 0.5 | 691 | 0.5 | 832 | 0.5 |
| Asbestosis, smoke inhalation | 617 | 0.4 | 646 | 0.4 | 638 | 0.5 | 631 | 0.5 | 613 | 0.4 | 822 | 0.5 |
| Synovitis, tenosynovitis, tendonitis | 282 | 0.2 | 394 | 0.3 | 455 | 0.3 | 307 | 0.2 | 473 | 0.3 | 785 | 0.5 |
| Dermatitis | 680 | 0.4 | 650 | 0.4 | 606 | 0.4 | 523 | 0.4 | 565 | 0.4 | 640 | 0.4 |
| Contagious or infectious disease | 212 | 0.2 | 139 | 0.1 | 203 | 0.1 | 330 | 0.3 | 381 | 0.3 | 414 | 0.2 |
| Inflammation or irritation of joints, etc. | 105 | 0.1 | 138 | 0.1 | 123 | 0.1 | 135 | 0.1 | 253 | 0.2 | 349 | 0.2 |
| Bleeding, frostbite, etc. | 27 | 0.0 | 74 | 0.1 | 59 | 0.1 | 18 | 0.0 | 54 | 0.0 | 53 | 0.0 |
| Arthritis | 5 | 0.0 | 20 | 0.0 | 25 | 0.0 | 23 | 0.0 | 18 | 0.0 | 31 | 0.0 |
| Pneumoconioses | 31 | 0.0 | 57 | 0.0 | 32 | 0.0 | 29 | 0.0 | 39 | 0.0 | 30 | 0.0 |
| Heat stroke, sunstroke, heat cramps | 8 | 0.0 | 16 | 0.0 | 20 | 0.0 | 22 | 0.0 | 19 | 0.0 | 12 | 0.0 |
| Hearing loss or impairment | 4 | 0.0 | 3 | 0.0 | 6 | 0.0 | 1 | 0.0 | 6 | 0.0 | 5 | 0.0 |
| Reissner's disease | 2 | 0.0 | 8 | 0.0 | 6 | 0.0 | 6 | 0.0 | 1 | 0.0 | 2 | 0.0 |
| Tuberculosis | 3 | 0.0 | 7 | 0.0 | 4 | 0.0 | 2 | 0.0 | 4 | 0.0 | 2 | 0.0 |
| Leptospirosis | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 3 | 0.0 | 1 | 0.0 |
| Neurosis | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other occupational illness | 54 | 0.0 | 60 | 0.0 | 150 | 0.1 | 89 | 0.1 | 72 | 0.0 | 84 | 0.0 |
| Total occupational diseases | 4,343 | 2.8 | 4,399 | 2.9 | 4,255 | 2.9 | 3,617 | 2.8 | 4,154 | 2.7 | 5,238 | 3.0 |
| Total injuries and diseases | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 |

The distribution of temporary total compensation settled claims is somewhat different in 1984 and 1985 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

80 81 82 83 84 85

Temporary Total Compensation Settled Claims by Part of Body Injured, 1980-1985

Number of Claims and Percentage of Total Claims

| Part of Body Injured | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | |
|----------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 37,842 | 24.4 | 39,327 | 25.7 | 37,534 | 26.1 | 35,874 | 27.7 | 42,896 | 27.9 | 48,988 | 28.1 |
| Finger(s) | 20,441 | 13.2 | 19,206 | 12.5 | 17,558 | 12.2 | 14,750 | 11.4 | 18,313 | 11.9 | 21,164 | 12.2 |
| Multiple parts | 6,827 | 4.4 | 8,358 | 5.5 | 8,338 | 5.8 | 7,747 | 6.0 | 8,907 | 5.8 | 11,834 | 6.8 |
| Knee | 6,534 | 4.2 | 4,384 | 2.9 | 4,271 | 3.0 | 3,376 | 2.6 | 7,478 | 4.9 | 9,398 | 5.4 |
| Ankle | 8,095 | 5.2 | 7,387 | 4.8 | 6,851 | 4.8 | 5,848 | 4.5 | 7,760 | 5.0 | 9,054 | 5.2 |
| Hand | 7,420 | 4.8 | 6,705 | 4.4 | 6,376 | 4.4 | 5,678 | 4.4 | 7,698 | 5.0 | 8,881 | 5.1 |
| Shoulder | 4,755 | 3.1 | 4,055 | 2.6 | 4,012 | 2.8 | 3,603 | 2.8 | 6,518 | 4.2 | 8,238 | 4.7 |
| Foot | 4,692 | 3.0 | 2,056 | 1.3 | 2,113 | 1.5 | 1,424 | 1.1 | 5,843 | 3.8 | 7,574 | 4.4 |
| Eye(s) | 7,135 | 4.6 | 6,974 | 4.6 | 6,222 | 4.3 | 5,516 | 4.3 | 6,621 | 4.3 | 7,196 | 4.1 |
| Wrist | 4,166 | 2.7 | 3,829 | 2.5 | 3,678 | 2.6 | 3,263 | .5 | 4,586 | 3.0 | 5,617 | 3.2 |
| Chest | 2,890 | 1.8 | 2,538 | 1.7 | 2,475 | 1.7 | 2,227 | 1.7 | 3,643 | 2.4 | 3,985 | 2.3 |
| Abdomen | 3,237 | 2.1 | 3,690 | 2.4 | 3,393 | 2.4 | 3,252 | 2.5 | 3,538 | 2.3 | 3,687 | 2.1 |
| Elbow | 2,314 | 1.5 | 1,542 | 1.0 | 1,495 | 1.0 | 1,400 | 1.1 | 2,625 | 1.7 | 3,255 | 1.9 |
| Lower leg | 6,533 | 4.2 | 9,006 | 5.9 | 8,035 | 5.6 | 8,482 | 6.5 | 4,128 | 2.7 | 3,119 | 1.8 |
| Forearm | 3,978 | 2.6 | 4,847 | 3.2 | 4,199 | 2.9 | 3,975 | 3.1 | 2,945 | 1.9 | 2,929 | 1.7 |
| Toe(s) | 2,879 | 1.8 | 3,059 | 2.0 | 2,759 | 1.9 | 2,510 | 1.9 | 2,079 | 1.3 | 2,256 | 1.3 |
| Other | 25,487 | 16.4 | 26,147 | 17.0 | 24,374 | 17.0 | 20,542 | 15.9 | 18,317 | 11.9 | 16,888 | 9.7 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 |

*The distribution of temporary total compensation settled claims is somewhat different in 1984 and 1985 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

80 81 82 83 84 85

Temporary Total Compensation Settled Claims by Industry, 1980-1985

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Manufacturing | 62,977 | 40.6 | 60,238 | 39.3 | 53,800 | 37.4 | 46,020 | 35.5 | 58,100 | 37.8 | 67,738 | 38.9 |
| Service | 20,370 | 13.1 | 22,016 | 14.4 | 22,081 | 15.4 | 21,249 | 16.4 | 25,105 | 16.3 | 29,215 | 16.8 |
| Trade, wholesale and retail | 22,236 | 14.3 | 22,217 | 14.5 | 21,015 | 14.6 | 19,137 | 14.8 | 22,537 | 14.6 | 25,741 | 14.8 |
| Transportation and communications | 12,868 | 8.3 | 13,686 | 9.0 | 15,657 | 10.9 | 14,233 | 11.0 | 15,991 | 10.4 | 16,877 | 9.7 |
| Public administration and defence | 15,950 | 10.3 | 14,531 | 9.5 | 12,477 | 8.7 | 12,644 | 9.8 | 13,009 | 8.5 | 14,221 | 8.2 |
| Construction | 13,357 | 8.6 | 13,121 | 8.6 | 12,194 | 8.5 | 10,553 | 8.2 | 12,309 | 8.0 | 13,489 | 7.7 |
| Agriculture | 1,988 | 1.3 | 2,032 | 1.3 | 2,035 | 1.4 | 2,010 | 1.6 | 2,351 | 1.5 | 2,316 | 1.3 |
| Mines, quarries and oil wells | 2,976 | 1.9 | 2,769 | 1.8 | 2,127 | 1.5 | 1,476 | 1.1 | 1,895 | 1.2 | 1,700 | 1.0 |
| Finance, insurance and real estate | 1,331 | 0.9 | 1,407 | 0.9 | 1,331 | 0.9 | 1,211 | 0.9 | 1,404 | 0.9 | 1,536 | 0.9 |
| Forestry | 1,145 | 0.7 | 1,060 | 0.7 | 943 | 0.7 | 900 | 0.7 | 1,163 | 0.8 | 1,189 | 0.7 |
| Fishing and trapping | 27 | 0.0 | 33 | 0.0 | 23 | 0.0 | 34 | 0.0 | 31 | 0.0 | 41 | 0.0 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 |

80 81 82 83 84 85

Permanent Disability Settled Claims by Nature of Injury and Disease, 1980-1985

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 1,194 | 26.6 | 1,479 | 29.5 | 1,732 | 28.9 | 2,350 | 30.0 | 2,696 | 29.2 | 2,310 | 27.9 |
| Fractures | 736 | 16.4 | 699 | 13.9 | 768 | 12.8 | 1,007 | 12.9 | 997 | 10.8 | 877 | 10.6 |
| Cuts, lacerations, open wounds | 544 | 12.1 | 465 | 9.3 | 586 | 9.8 | 683 | 8.8 | 772 | 8.4 | 801 | 9.7 |
| Contusions - intact skin | 301 | 6.7 | 342 | 6.8 | 375 | 6.3 | 495 | 6.3 | 599 | 6.5 | 552 | 6.7 |
| Amputation or enucleation | 410 | 9.1 | 404 | 8.0 | 382 | 6.4 | 343 | 4.4 | 372 | 4.0 | 307 | 3.7 |
| Multiple injuries | 154 | 3.4 | 152 | 3.0 | 173 | 2.9 | 236 | 3.0 | 189 | 2.0 | 200 | 2.4 |
| Burns or scalds (heat) | 34 | 0.8 | 33 | 0.7 | 36 | 0.6 | 42 | 0.5 | 67 | 0.7 | 40 | 0.5 |
| Dislocation | 27 | 0.6 | 41 | 0.8 | 45 | 0.8 | 62 | 0.8 | 49 | 0.5 | 37 | 0.4 |
| Scratches, abrasions | 28 | 0.6 | 27 | 0.5 | 33 | 0.6 | 36 | 0.5 | 29 | 0.3 | 34 | 0.4 |
| Concussion - brain, cerebral | 8 | 0.2 | 17 | 0.3 | 18 | 0.3 | 27 | 0.3 | 23 | 0.3 | 20 | 0.2 |
| Hernia, rupture | 8 | 0.2 | 3 | 0.1 | 10 | 0.1 | 7 | 0.1 | 13 | 0.1 | 17 | 0.2 |
| Electric shock, electrocution | 8 | 0.2 | 8 | 0.2 | 10 | 0.1 | 12 | 0.2 | 14 | 0.2 | 11 | 0.1 |
| Asphyxia, strangulation, drowning | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 630 | 14.0 | 786 | 15.7 | 1,031 | 17.1 | 1,682 | 21.5 | 2,309 | 25.0 | 2,111 | 25.4 |
| Total occupational injuries | 4,082 | 90.9 | 4,457 | 88.8 | 5,199 | 86.7 | 6,982 | 89.3 | 8,129 | 88.0 | 7,317 | 88.2 |
| Occupational Disease | | | | | | | | | | | | |
| Hearing loss or impairment | 349 | 7.8 | 447 | 8.9 | 667 | 11.1 | 630 | 8.1 | 841 | 9.1 | 758 | 9.2 |
| Inflammation or irritation of joints, tendons, etc. | 11 | 0.3 | 21 | 0.4 | 31 | 0.5 | 57 | 0.7 | 119 | 1.3 | 107 | 1.3 |
| Synovitis, tenosynovitis, tendonitis | 12 | 0.3 | 18 | 0.4 | 19 | 0.3 | 31 | 0.4 | 47 | 0.5 | 28 | 0.3 |
| Dermatitis | 6 | 0.1 | 9 | 0.2 | 14 | 0.2 | 33 | 0.4 | 30 | 0.4 | 19 | 0.2 |
| Burn (chemical) | 4 | 0.1 | 6 | 0.1 | 5 | 0.1 | 14 | 0.2 | 12 | 0.2 | 8 | 0.1 |
| Silicosis | 7 | 0.2 | 16 | 0.3 | 20 | 0.3 | 6 | 0.1 | 10 | 0.1 | 8 | 0.1 |
| Pneumoconioses | 1 | 0.0 | 5 | 0.1 | 10 | 0.2 | 7 | 0.1 | 7 | 0.1 | 6 | 0.1 |
| Asbestosis | 6 | 0.1 | 10 | 0.2 | 5 | 0.1 | 6 | 0.1 | 4 | 0.0 | 5 | 0.1 |
| Lung toxicity, smoke inhalation | 0 | 0.0 | 5 | 0.1 | 5 | 0.1 | 2 | 0.0 | 4 | 0.0 | 3 | 0.0 |
| Ultraviolet rays, welders' flash | 1 | 0.0 | 3 | 0.1 | 5 | 0.1 | 4 | 0.1 | 4 | 0.0 | 1 | 0.0 |
| Warts | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 4 | 0.0 | 1 | 0.0 |
| Tuberculosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Freezing, frostbite, etc. | 0 | 0.0 | 1 | 0.0 | 1 | 0.0 | 4 | 0.1 | 4 | 0.0 | 0 | 0.0 |
| Tuberculosis and pneumoconiosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Contagious or infectious disease | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Other occupational illnesses | 10 | 0.2 | 19 | 0.4 | 17 | 0.3 | 30 | 0.4 | 21 | 0.3 | 32 | 0.4 |
| Total occupational diseases | 407 | 9.1 | 562 | 11.2 | 799 | 13.3 | 828 | 10.7 | 1,109 | 12.0 | 977 | 11.8 |
| Total injuries and diseases | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 |

80 81 82 83 84 85

Permanent Disability Settled Claims by Part of Body Injured, 1980-1985

Number of Claims and Percentage of Total Claims

| Part of Body | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 1,152 | 25.7 | 1,489 | 29.7 | 1,686 | 28.1 | 2,357 | 30.2 | 2,839 | 30.7 | 2,478 | 29.9 |
| Hand(s) | 1,084 | 24.2 | 970 | 19.3 | 1,119 | 18.7 | 1,217 | 15.6 | 1,333 | 14.4 | 1,337 | 16.1 |
| Multiple parts | 324 | 7.2 | 329 | 6.6 | 356 | 5.9 | 600 | 7.7 | 691 | 7.5 | 687 | 8.3 |
| Knee | 237 | 5.3 | 248 | 4.9 | 270 | 4.5 | 332 | 4.3 | 380 | 4.1 | 331 | 4.0 |
| Lower leg | 77 | 1.7 | 99 | 2.0 | 134 | 2.3 | 235 | 3.0 | 319 | 3.5 | 262 | 3.2 |
| Hand | 162 | 3.6 | 155 | 3.1 | 170 | 2.8 | 214 | 2.7 | 289 | 3.1 | 251 | 3.0 |
| Wrist | 141 | 3.1 | 133 | 2.6 | 117 | 2.0 | 175 | 2.2 | 201 | 2.2 | 211 | 2.5 |
| Shoulder | 93 | 2.1 | 132 | 2.6 | 170 | 2.8 | 242 | 3.1 | 243 | 2.6 | 190 | 2.3 |
| Arm | 78 | 1.7 | 107 | 2.1 | 113 | 1.9 | 149 | 1.9 | 182 | 2.0 | 149 | 1.8 |
| Forearm | 73 | 1.6 | 60 | 1.2 | 97 | 1.6 | 115 | 1.5 | 159 | 1.7 | 131 | 1.6 |
| Foot | 76 | 1.7 | 99 | 2.0 | 95 | 1.6 | 116 | 1.5 | 119 | 1.3 | 102 | 1.2 |
| Thigh | 47 | 1.1 | 61 | 1.2 | 68 | 1.1 | 88 | 1.1 | 94 | 1.0 | 100 | 1.2 |
| Lower arm | 27 | 0.6 | 19 | 0.4 | 37 | 0.6 | 37 | 0.5 | 78 | 0.8 | 68 | 0.8 |
| Head(s) | 59 | 1.3 | 58 | 1.2 | 60 | 1.0 | 66 | 0.8 | 62 | 0.7 | 57 | 0.7 |
| Neck(s) | 37 | 0.8 | 23 | 0.5 | 30 | 0.5 | 48 | 0.6 | 71 | 0.8 | 45 | 0.5 |
| Face | 18 | 0.4 | 26 | 0.5 | 24 | 0.4 | 35 | 0.5 | 28 | 0.3 | 41 | 0.5 |
| Other | 804 | 17.9 | 1,011 | 20.1 | 1,452 | 24.2 | 1,784 | 22.8 | 2,150 | 23.3 | 1,854 | 22.4 |
| Total claims | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 |

80 81 82 83 84 85

Fatal Settled Claims by Industry, 1980-1985

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|------------------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Manufacturing | 39 | 19.7 | 51 | 23.2 | 49 | 24.0 | 50 | 27.9 | 60 | 30.0 | 34 | 23.6 |
| Construction | 30 | 15.2 | 47 | 21.4 | 31 | 15.2 | 21 | 11.7 | 28 | 14.0 | 34 | 23.6 |
| Mines, quarries and oil wells | 33 | 16.7 | 20 | 9.1 | 22 | 10.8 | 15 | 8.4 | 23 | 11.5 | 18 | 12.5 |
| Transportation and communications | 25 | 12.6 | 38 | 17.3 | 36 | 17.7 | 36 | 20.1 | 25 | 12.5 | 16 | 11.1 |
| Public administration and defence | 21 | 10.6 | 15 | 6.8 | 10 | 4.9 | 13 | 7.3 | 11 | 5.5 | 13 | 9.0 |
| Trade, wholesale and retail | 26 | 13.2 | 13 | 5.9 | 16 | 7.8 | 17 | 9.5 | 15 | 7.5 | 11 | 7.6 |
| Service | 9 | 4.5 | 15 | 6.8 | 22 | 10.8 | 13 | 7.3 | 17 | 8.5 | 8 | 5.6 |
| Agriculture | 5 | 2.5 | 7 | 3.2 | 11 | 5.4 | 5 | 2.8 | 9 | 4.5 | 5 | 3.5 |
| Finance, insurance and real estate | 0 | 0.0 | 3 | 1.3 | 0 | 0.0 | 1 | 0.5 | 1 | 0.5 | 3 | 2.1 |
| Forestry | 9 | 4.5 | 6 | 2.7 | 6 | 2.9 | 8 | 4.5 | 7 | 3.5 | 2 | 1.4 |
| Fishing and trapping | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 | 3 | 1.5 | 0 | 0.0 |
| Unknown | 1 | 0.5 | 5 | 2.3 | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 |
| Total claims | 198 | 100.0 | 220 | 100.0 | 204 | 100.0 | 179 | 100.0 | 200 | 100.0 | 144 | 100.0 |



WORKERS' COMPENSATION BOARD FINANCIAL STATEMENTS

Year Ended December 31, 1985

CONTENTS

| | |
|---|----|
| Auditor's Opinion | 26 |
| Consulting Actuary's Report | 27 |
| Balance Sheet — Schedule 1 Accident Fund | 28 |
| Statement of Income, Expenses and Unfunded Liability — Schedule 1 Accident Fund | 28 |
| Balance Sheet — Schedule 2 | 29 |
| Statement of Changes in Net Deposits — Schedule 2 | 29 |
| Notes to the Financial Statements | 30 |
| Schedule 1 Accident Fund — Accident Prevention Expenses | 33 |
| Schedule 1 Accident Fund — Administration Expenses | 33 |

WORKERS' COMPENSATION BOARD SUPERANNUATION UND FINANCIAL STATEMENTS

Year Ended December 31, 1985

CONTENTS

| | |
|--|----|
| Auditor's Opinion | 34 |
| Balance Sheet | 35 |
| Statement of Transactions and Fund Balance | 35 |
| Notes to the Financial Statements | 36 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

26 I have examined the balance sheets — Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board as at December 31, 1985 and the statements of income, expenses and unfunded liability — Schedule 1 Accident Fund and of changes in net deposits — Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances; the estimated present value of future payments to existing Schedule 1 claimants was determined by the Board's Actuary and reviewed by an independent consulting actuary.

In my opinion, based on my examination and the report of the independent consulting actuary, these financial statements present fairly the financial position of the Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles set out in Note 1 to the financial statements applied, after giving retroactive effect to the change in the valuation practice for determining the estimated present value of future payments to existing Schedule 1 claimants as described in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in cursive script, reading 'D. F. Archer'.

D. F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
June 9, 1986.

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1
Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1985

The estimated present value of future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1985 in the amount of \$7.82 billion has been determined by the Board's Staff Actuary, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1985. Full provision has been made for potential future increases in the covered earnings ceiling and the level of pensions and temporary compensation resulting from the amendments to the Act contained in Bill 81 by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation. Changes in the Board's investment policy and assessment collection policy, which were made after December 31, 1985, were taken into account in selecting the net investment return assumption.

The present value includes the estimated present value of additional payments resulting from the amendments to the Act contained in Bill 101. Although it was necessary to use a number of approximations in estimating this amount, the effect of these approximations is not material for the purposes of the valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns and the amendments to the Act contained in Bill 81. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

In our opinion, which includes the foregoing comments, the amount of \$7.82 billion as at December 31, 1985 makes reasonable provision for future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1985.

If inflation protection provisions similar to those enacted in Bill 81 had been in place at the time of previous valuations, and the Board's present investment policy and assessment collection policy (which were adopted following the enactment of Bill 81) had then been in place, the corresponding present values as of December 31, 1983 and December 31, 1984 would have been \$5.65 billion and \$6.69 billion, respectively. Those present values are based on the same actuarial assumptions and methods as were used in establishing the present values of future payments as of those dates, except that a net investment return assumption of 3% per annum was used and the other economic assumptions were modified as necessary to be consistent with the investment return assumption.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of
Eckler Partners Ltd.

June 16, 1986.

BALANCE SHEET - SCHEDULE 1 ACCIDENT FUND

December 31, 1985

| | 1985 | 1984 |
|---|---------------------|---------------------|
| | (5000's) | (restated - Note 2) |
| ASSETS | | |
| Cash | \$ 1,457 | \$ 2,619 |
| Investments (Note 4) | 1,914,213 | 1,704,911 |
| Other assets (Note 5) | 563,381 | 437,521 |
| Land, buildings and equipment (Note 6) | 16,276 | 18,525 |
| | <u>\$ 2,495,327</u> | <u>\$ 2,163,576</u> |
| LIABILITIES | | |
| Accounts payable and accrued charges (Note 7) | \$ 56,129 | \$ 44,051 |
| Estimated present value of future payments to existing Schedule 1 claimants | 7,820,000 | 6,690,000 |
| | <u>\$ 7,876,129</u> | <u>\$ 6,734,051</u> |
| Unfunded liability | (5,380,802) | (4,570,475) |
| | <u>\$ 2,495,327</u> | <u>\$ 2,163,576</u> |

Approved by the Board

Robert M. Elgie

Chairman

[Signature]

Vice-Chairman of Administration and General Manager

STATEMENT OF INCOME, EXPENSES AND UNFUNDED LIABILITY SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1985

| | 1985 | 1984 |
|---|----------------------|----------------------|
| | (5000's) | (restated - Note 2) |
| INCOME | | |
| Assessments and penalties (net of uncollectible assessments 1985 - \$27,987; 1984 - \$21,259) | \$ 1,301,121 | \$ 1,048,569 |
| Investment income (Note 9) | 186,366 | 176,226 |
| | <u>\$ 1,487,487</u> | <u>\$ 1,224,795</u> |
| EXPENSES | | |
| Benefits (Note 10) | \$ 986,624 | \$ 879,354 |
| Accident prevention | 35,266 | 31,581 |
| Administration | 114,644 | 90,511 |
| Medical and rehabilitation services | 24,380 | 21,441 |
| Legislated obligations (Note 11) | 6,900 | 7,061 |
| | <u>\$ 1,167,814</u> | <u>\$ 1,029,958</u> |
| Excess of income over expenses before provision for increase in estimated present value of future payments to existing Schedule 1 claimants | \$ 319,673 | \$ 194,847 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,130,000 | 1,040,000 |
| | <u>\$ (810,327)</u> | <u>\$ (845,153)</u> |
| Unfunded liability, beginning of year - as restated (Note 2) | (4,570,475) | (3,725,311) |
| Unfunded liability, end of year | <u>\$(5,380,802)</u> | <u>\$(4,570,475)</u> |

December 31, 1985

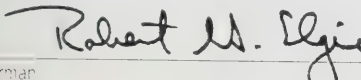
ASSETS

| | 1985 | (5000 \$) | 1984 |
|--|-----------------|-----------|-----------------|
| Cash | \$ 694 | | \$ 175 |
| Investments | 11,862 | | 7,772 |
| Administration expenses recoverable (Note 8) | — | | 10,443 |
| Interest and other receivables | 291 | | 172 |
| | \$12,847 | | \$18,562 |

LIABILITIES

| | | | |
|-------------------|-----------------|--|-----------------|
| Due to Schedule I | \$ 286 | | \$ 7,523 |
| Net deposits | 12,561 | | 11,039 |
| | \$12,847 | | \$18,562 |

Approved by the Board


Chairman


Vice-Chairman of Administration and General Manager

STATEMENT OF CHANGES IN NET DEPOSITS - SCHEDULE 2 Year Ended December 31, 1985

INCREASE IN DEPOSITS

| | 1985 | (5000 \$) | 1984 |
|-------------------------------|-----------------|-----------|-----------------|
| Reimbursements from employers | | | |
| Benefits | \$84,660 | | \$75,215 |
| Administration costs | 12,589 | | 12,023 |
| Investment income | 1,093 | | 818 |
| | \$98,342 | | \$88,056 |

DECREASE IN DEPOSITS

| | | | |
|---------------------------------|-----------------|--|-----------------|
| Benefits to workers | | | |
| Compensation | \$34,373 | | \$31,189 |
| Health care | 14,137 | | 12,334 |
| Rehabilitation | 1,305 | | 1,129 |
| Pensions | 34,416 | | 30,210 |
| Administration costs | 12,589 | | 12,023 |
| | \$96,820 | | \$86,885 |
| Increase in net deposits | \$ 1,522 | | \$ 1,171 |
| Net deposits, beginning of year | 11,039 | | 9,868 |
| Net deposits, end of year | \$12,561 | | \$11,039 |

December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold or 20 years. Short-term investments are carried at cost.

Market values of investments are not disclosed as the Board's policy is generally to hold them to maturity.

Land, buildings and equipment

Land, buildings, equipment, leasehold improvements and motor vehicles are stated at cost. Buildings, equipment, leasehold improvements and

motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Equipment purchases with a unit cost of \$1,000 or less and leasehold improvements with a unit cost of \$5,000 or less are expensed.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Estimated present value of future payments to existing Schedule 1 claimants

The estimated present value of future payments to existing Schedule 1 claimants is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

2. CHANGE IN THE VALUATION PRACTICE IN DETERMINING THE ESTIMATED PRESENT VALUE OF FUTURE PAYMENTS TO EXISTING SCHEDULE 1 CLAIMANTS

| | 1985 | 1984 |
|---|---------------|---------------|
| | (5000 \$) | |
| Unfunded liability, beginning of year | | |
| As previously reported | \$(2,710,475) | \$(2,025,311) |
| Change in valuation practice in determining the estimated present value of future payments to existing Schedule 1 claimants | (1,860,000) | (1,700,000) |
| As restated | \$(4,570,475) | \$(3,725,311) |

The Workers' Compensation Act was amended on December 20, 1985 by the passage of Bill 81, which indexed future annual increases in pensions and temporary compensation payments based on the change in the consumer price index for the twelve-month period ending the previous October 31. To reflect this amendment, the adoption of a net 3 per cent discount rate was approved by the Board of Directors on June 4, 1986.

The adoption of the above discount rate is a change from the previous practice of moving to an indexed liability by decreasing the net discount rate ½ per cent each year (the net discount rate used at December 31, 1984 and December 31, 1983 was 6.5 per cent and 7.0 per cent respectively).

The provision of Bill 81 and the resulting change in the valuation practice used to determine the estimated present value of future payments to existing Schedule 1 claimants has been retroactively applied to previous years. The effect of this change was to increase the excess of expenses over income by \$160 million from that which was reported on the 1984 financial statements and to increase the excess of expenses over income by \$1.7 billion (reflect through unfunded liability) for years prior to 1984.

The change in the current year, had the previous valuation practice been used, has not been determined.

3. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident fund and Schedule 2 relates to industries where

the employers are individually liable to pay compensation, health care, rehabilitation costs and pensions.

| 4. INVESTMENTS | 1985 | (5000's) | 1984 |
|---|-------------|----------|-------------|
| Bonds | \$1,365,500 | | \$1,081,502 |
| Mortgages | 398,510 | | 392,656 |
| | \$1,764,010 | | \$1,474,158 |
| Unamortized portion of realized losses, net of gains, on sale of investments | 28,350 | | 27,045 |
| | \$1,792,360 | | \$1,501,203 |
| Short-term | 121,853 | | 203,708 |
| | \$1,914,213 | | \$1,704,911 |

| 5. OTHER ASSETS | 1985 | (5000's) | 1984 |
|----------------------------------|------------|----------|------------|
| Accrued investment income | \$ 41,269 | | \$ 34,301 |
| Accrued assessment income | 150,000 | | 120,000 |
| Assessment and other receivables | 367,628 | | 273,712 |
| Due from Schedule 2 | 286 | | 7,523 |
| Prepaid expenses | 4,198 | | 1,985 |
| | \$ 563,381 | | \$ 437,521 |

| 6. LAND, BUILDINGS AND EQUIPMENT | (5000's) | | | |
|----------------------------------|----------|--|-------------------|--|
| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 11,034 | 5,855 | 5,179 | 2½ % |
| Leasehold improvements | 3,335 | 2,012 | 1,323 | 10% |
| Equipment | 14,366 | 12,311 | 2,055 | 20% |
| Motor vehicles | 1,709 | 744 | 965 | 25% |
| | \$37,198 | \$20,922 | \$16,276 | |

Total depreciation and amortization expense for the year was \$2,886,000 (1984 - \$2,797,000).

| 7. ACCOUNTS PAYABLE AND ACCRUED CHARGES | 1985 | (5000's) | 1984 |
|---|----------|----------|----------|
| Accounts payable and accrued charges | \$32,342 | | \$24,084 |
| Checks issued and not yet cashed | 23,787 | | 19,967 |
| | \$56,129 | | \$44,051 |

8. ADMINISTRATION EXPENSES RECOVERABLE

The Board administers the payment of worker benefits on behalf of Schedule 2 employers, for which it allocates a charge to Schedule 2 employers based on the total administration costs less certain costs not

appropriate to Schedule 2. During 1985, the Board commenced billing Schedule 2 employers monthly with the administrative expenses being recovered on an ongoing basis.

| | 1985 | (5000 \$) | 1984 |
|---|-----------|-----------|-----------|
| 9. INVESTMENT INCOME | | | |
| Investment Income | \$193,046 | | \$182,087 |
| Less | | | |
| Amortization of losses, net of gains, on sale of investments | (6,237) | | (5,439) |
| Investment administration expenses | (443) | | (422) |
| | \$186,366 | | \$176,226 |

| | 1985 | (5000 \$) | 1984 |
|-----------------------------------|-----------|-----------|-----------|
| 10. BENEFIT EXPENSES | | | |
| Compensation | \$515,204 | | \$466,695 |
| Health care | 137,649 | | 117,631 |
| Rehabilitation | 23,597 | | 21,615 |
| Pensions | 312,343 | | 275,016 |
| | \$988,793 | | \$880,957 |
| Less recovered from third parties | 2,169 | | 1,603 |
| | \$986,624 | | \$879,354 |

| | 1985 | (5000 \$) | 1984 |
|--|---------|-----------|---------|
| 11. LEGISLATIVE OBLIGATIONS | | | |
| Occupational Health and Safety Act | \$5,377 | | \$6,237 |
| Mine rescue | 781 | | 828 |
| Workers' Compensation Appeals Tribunal | 627 | | — |
| Workers' and Employers' Adviser | 115 | | — |
| | \$6,900 | | \$7,065 |

12. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements with terms of various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

| | (5000 \$) | | (5000 \$) |
|------|-----------|------|-----------|
| 1986 | \$6,787 | 1989 | \$5,288 |
| 1987 | \$6,170 | 1990 | \$4,392 |
| 1988 | \$5,793 | | |

13. SUPERANNUATION FUND

The Board has a benefit-based pension plan, the Superannuation Fund, for its employees and employees of the provincial safety associations. The accounts of the Fund are included in separate financial statements. The

most recent triennial actuarial valuation as at December 31, 1983 determined that this Fund was in a surplus position.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

SCHEDULE 1 ACCIDENT FUND - ACCIDENT

Year Ended December 31, 1985

BY CATEGORY

| | 1985 | (5000 \$) | 1984 |
|----------------------------------|----------|-----------|----------|
| Salaries and employees' benefits | \$19,246 | | \$17,544 |
| Travel and vehicle maintenance | 2,850 | | 2,636 |
| Supplies and services | 648 | | 591 |
| Equipment rental and maintenance | 653 | | 708 |
| Depreciation of equipment | 293 | | 294 |
| Occupancy costs | 1,754 | | 1,512 |
| Security services and insurance | 63 | | 62 |
| Communications and publications | 8,006 | | 6,708 |
| Other | 1,753 | | 1,530 |
| | \$35,266 | | \$31,585 |

BY SAFETY ASSOCIATION/AUTHORITY

| | | | |
|--|----------|--|----------|
| Construction Safety Association of Ontario | \$ 8,112 | | \$ 7,590 |
| Electrical Utilities Safety Association of Ontario, Inc. | 1,394 | | 1,225 |
| Forest Products Accident Prevention Association | 1,304 | | 1,200 |
| Farm Safety Association Inc. | 862 | | 716 |
| Health Care Occupational Health & Safety Association | 1,633 | | 1,427 |
| Industrial Accident Prevention Association | 15,226 | | 13,261 |
| Mines Accident Prevention Association of Ontario | 1,997 | | 2,028 |
| Ontario Pulp & Paper Makers Safety Association | 626 | | 610 |
| Transportation Safety Association of Ontario | 1,101 | | 924 |
| Occupational Health and Safety Education Authority | 3,011 | | 2,604 |
| | \$35,266 | | \$31,585 |

SCHEDULE 1 ACCIDENT FUND - ADMINISTRATION EXPENSES

Year Ended December 31, 1985

| | 1985 | (5000 \$) | 1984 |
|--|-----------|-----------|-----------|
| Salaries and employees' benefits | \$107,757 | | \$ 93,496 |
| Travel and vehicle maintenance | 2,974 | | 2,653 |
| Supplies and services | 3,482 | | 2,310 |
| Equipment rental and maintenance | 8,978 | | 5,812 |
| Depreciation of equipment | 1,964 | | 1,436 |
| Occupancy costs - net | 9,740 | | 5,876 |
| Security services and insurance | 721 | | 691 |
| Data processing costs | 1,940 | | 773 |
| Communications and publications | 9,650 | | 7,509 |
| Rest examining station costs | 882 | | 815 |
| Edit reports and legal expenses | 816 | | 824 |
| Professional fees and services | 770 | | 636 |
| Other | 2,587 | | 1,765 |
| | \$152,261 | | \$124,596 |
| Less administration expenses charged to: | | | |
| Investment income | \$ 443 | | \$ 422 |
| Dowmsview Rehabilitation Centre (included in Health care expenses - Note 10) | 205 | | 200 |
| Medical and rehabilitation services | 24,380 | | 21,441 |
| Schedule 2 | 12,589 | | 12,023 |
| | \$ 37,617 | | \$ 34,086 |
| Charge to statement of income, expenses and | | | |
| Unfunded liability - Schedule 1 Accident Fund | \$114,644 | | \$ 90,510 |



Office of the
Provincial
Auditor

Parliament Buildings
Queen's Park
Toronto, Ontario
M7A 1A2
416/965-1381

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers' Compensation Board Superannuation Fund as at December 31, 1985 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1985 and the changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

A report on the audit has been made to the Board and to the Minister.

A handwritten signature in cursive script, reading "D. F. Archer".

D. F. Archer, F.C.A.,
Provincial Auditor.

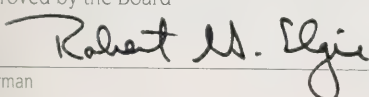
Toronto, Ontario,
May 9, 1986.


BALANCE SHEET - SUPERANNUATION FUND

December 31, 1985

| ASSETS | 1985 | (5000 \$) | 1984 |
|--------------------------------------|------------------|-----------|------------------|
| Cash | \$ 268 | | \$ 296 |
| Investments (Note 3) | 175,418 | | 155,670 |
| Investment income receivable | 3,180 | | 2,901 |
| Accounts receivable | 276 | | 260 |
| | <u>\$179,142</u> | | <u>\$159,127</u> |
| LIABILITY AND FUND BALANCE | | | |
| Accounts payable and accrued charges | \$ 285 | | \$ 261 |
| Fund balance | 178,857 | | 158,866 |
| | <u>\$179,142</u> | | <u>\$159,127</u> |

Approved by the Board


Chairman


Vice-Chairman of Administration and General Manager

STATEMENT OF TRANSACTIONS AND FUND BALANCE - SUPERANNUATION FUND

Year Ended December 31, 1985

| CONTRIBUTIONS RECEIVED FROM | 1985 | (5000 \$) | 1984 |
|--|------------------|-----------|------------------|
| The Board and the Safety Associations | \$ 4,928 | | \$ 4,462 |
| The employees of the Board and the Safety Associations | 4,628 | | 4,087 |
| | <u>\$ 9,556</u> | | <u>\$ 8,549</u> |
| INVESTMENT INCOME | \$ 16,330 | | \$ 15,872 |
| | <u>\$ 25,886</u> | | <u>\$ 24,421</u> |
| DEDUCT | | | |
| Pensions paid | \$ 5,089 | | \$ 4,466 |
| Contributions plus interest refunded to staff | 806 | | 695 |
| | <u>\$ 5,895</u> | | <u>\$ 5,161</u> |
| Increase in the fund for the year | \$ 19,991 | | \$ 19,260 |
| Fund balance, beginning of year | 158,866 | | 139,606 |
| Fund balance, end of year (Note 4) | <u>\$178,857</u> | | <u>\$158,866</u> |

December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, and cost for mortgages, equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

- (a) Investments — at the rates of exchange prevailing when the investments were acquired.
- (b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation Board and employees of the provincial Safety Associations.

3. INVESTMENTS

| | 1985 | | 1984 | |
|------------|-----------|--------------|-----------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Bonds | \$ 82,430 | \$ 88,363 | \$ 77,181 | \$ 75,382 |
| Mortgages | 29,247 | 29,247 | 28,357 | 28,357 |
| Equities | 61,544 | 100,747 | 43,968 | 65,645 |
| | \$173,221 | \$218,357 | \$149,506 | \$169,384 |
| Short-term | 2,197 | 2,197 | 6,164 | 6,164 |
| | \$175,418 | \$220,554 | \$155,670 | \$175,548 |

4. ACTUARIAL VALUATION

The most recent triennial actuarial valuation as at December 31, 1983 determined that the Fund was in a surplus position.

1. CONVENTIONS COMPTABLES

Les états financiers ont été préparés conformément aux principes comptables généralement reconnus et tiennent compte de ce qui suit :

Placements

Les obligations sont comptabilisées au coût amorti et les hypothèques, les actions et les titres à court terme sont comptabilisés au coût.

Les gains réalisés ou les pertes subies sur la vente de placements sont inclus dans le revenu de placements figurant à la rubrique État des transactions et solde de la caisse.

2. CAISSE DE RETRAITE

La caisse de retraite est un régime de prestations déterminées établi pour les employés de la Commission des accidents du travail et les employés des associations de sécurité.

3. PLACEMENTS

1985

(en milliers de \$)

1984

Valeur

Coût

marchande

Coût

Obligations

Hypothèques

Actions

Titres à court terme

175 418 \$

173 221 \$

61 544

29 247

82 430 \$

220 554 \$

218 357 \$

100 747

29 247

88 363 \$

155 670 \$

149 506 \$

43 968

28 357

77 181 \$

175 548 \$

169 384

65 645

28 357

75 382

4. ÉVALUATION ACTUARIELLE

L'évaluation actuarielle triennale la plus récente au 31 décembre 1983 a révélé que la caisse était excédentaire.

ÉTAT DES TRANSACTIONS ET SOLDE DE LA CAISSE - CAISSE DE RETRAITE

| Caisse | | 1984 |
|----------------------------------|-------------------|-------------------|
| Recettes | 296 \$ | 155 670 |
| Revenus de placements à recevoir | 175 418 | 2 901 |
| Revenus | 3 180 | 276 |
| Total | 179 142 \$ | 159 127 \$ |

| Comptes fournisseurs et charges à payer | | 1984 |
|---|-------------------|-------------------|
| Solde de la caisse | 285 \$ | 158 866 |
| Total | 179 142 \$ | 159 127 \$ |

Approuvé par le Conseil d'administration
Robert M. Lévesque
 Président

Vice-président de l'administration et des services généraux
[Signature]

CONTRIBUTIONS REÇUES

| Des employés de la Commission et des associations de sécurité | | 1984 |
|---|-----------------|-----------------|
| Des employés de la Commission et des associations de sécurité | 4 928 \$ | 4 462 \$ |
| | 4 628 | 4 087 |
| Total | 9 556 \$ | 8 549 \$ |

| REVENU DE PLACEMENTS | | 1984 |
|-----------------------|------------------|------------------|
| Revenus de placements | 16 330 \$ | 15 872 \$ |
| | 25 886 \$ | 24 421 \$ |
| Total | 25 886 \$ | 24 421 \$ |

| À DÉDUIRE | | 1984 |
|---|-------------------|-------------------|
| Pensions payées | 5 089 \$ | 4 466 \$ |
| Cotisations plus intérêt remboursés aux employés | 806 | 695 |
| Total | 5 895 \$ | 5 161 \$ |
| Augmentation de la caisse pour l'exercice | 19 991 \$ | 19 260 \$ |
| Solde de la caisse au début de l'exercice | 158 866 | 139 606 |
| Solde de la caisse à la fin de l'exercice (note 4) | 178 857 \$ | 158 866 \$ |



Bureau du
vérificateur
provincial

Edifices du Parlement
Queen's Park
Toronto (Ontario)
M7A 1A2
(416) 965-1381

La Commission des accidents du travail
et Monsieur le ministre du Travail.

J'ai examiné le bilan de la caisse de retraite de la Commission des accidents du travail au 31 décembre 1985 et l'état des transactions et du solde de la caisse de l'exercice. L'examen a été effectué conformément aux normes de vérification généralement reconnues et a comporté, par conséquent, les tests et autres procédures que j'ai jugées nécessaires dans les circonstances.

À mon avis, ces états financiers présentent fidèlement la situation financière de la caisse au 31 décembre 1985 ainsi que les changements du solde de la caisse pour l'exercice, conformément aux principes comptables généralement reconnus appliqués de la même manière qu'au cours de l'exercice précédent.

Un rapport de la vérification a été adressé à la Commission et au ministre.

Le vérificateur provincial,
D.F. Archer, F.C.A.

Toronto (Ontario)
Le 9 mai 1986

ANNEXE I - LISTE DES ACCIDENTS RELEVANT DE LA PREVENTION DES ACCIDENTS

exercice clos le 31 décembre 1985

CATÉGORIE

| | | |
|------------------------------------|-----------|-----------|
| Salaires et avantages sociaux | 17 544 \$ | 19 246 \$ |
| Voyages et entretien des véhicules | 2 636 | 2 850 |
| Fournitures et services | 591 | 648 |
| Location d'équipement et entretien | 708 | 653 |
| Préparation d'équipement | 294 | 293 |
| Charges locatives | 1 512 | 1 754 |
| Services de sûreté et assurances | 62 | 63 |
| Communications et publications | 6 708 | 8 006 |
| Autres | 1 530 | 1 753 |
| | 31 585 \$ | 35 266 \$ |

1984 en milliers de \$

| | | |
|--|-----------|-----------|
| Association ontarienne de la sécurité dans la construction | 7 590 \$ | 8 112 \$ |
| Electrical Utilities Safety Association of Ontario, Inc. | 1 225 | 1 394 |
| Association de prévention des accidents dans l'industrie forestière | 1 200 | 1 304 |
| Association pour la sécurité à la ferme Inc. | 716 | 862 |
| Association des services de soins et des services de santé et de sécurité au travail | 1 427 | 1 633 |
| Association pour la prévention des accidents industriels | 13 261 | 15 226 |
| Association pour la prévention des accidents dans les mines ontariennes | 2 028 | 1 997 |
| Ontario Pulp & Paper Makers Safety Association | 610 | 626 |
| Association de sécurité dans le transport de l'Ontario | 924 | 1 101 |
| Office d'information sur la santé et la sécurité au travail | 2 604 | 3 011 |
| | 31 585 \$ | 35 266 \$ |

ANNEXE I - LISTE DES ACCIDENTS RELEVANT DE LA PREVENTION DES ACCIDENTS

exercice clos le 31 décembre 1985

| | | |
|---|------------|------------|
| Salaires et avantages sociaux | 93 496 \$ | 107 757 \$ |
| Voyages et entretien des véhicules | 2 653 | 2 974 |
| Fournitures et services | 2 310 | 3 482 |
| Location d'équipement et entretien | 5 812 | 8 978 |
| Dépréciation d'équipement | 1 436 | 1 964 |
| Charges locatives - nettes | 5 876 | 9 740 |
| Services de sûreté et assurance | 691 | 721 |
| Frais d'informatique | 773 | 1 940 |
| Frais d'informatique | 7 509 | 9 650 |
| Communications et publications | 815 | 882 |
| Postes d'examen radiographique des poumons | 824 | 816 |
| Rapports de solvabilité et frais juridiques | 636 | 770 |
| Honoraires et services professionnels | 1 765 | 2 587 |
| Autres | 124 596 \$ | 152 261 \$ |

1984 en milliers de \$

| | | |
|---|-----------|------------|
| Moins les frais d'administration imputés à : | 422 \$ | 443 \$ |
| Revenu de placements | 200 | 205 |
| Centre de réadaptation de Downsview (inclus dans les frais d'aide médicale - note 10) | 21 441 | 24 380 |
| Services médicaux et de réadaptation | 12 023 | 12 589 |
| Annexe 2 | 34 086 \$ | 37 617 \$ |
| Net imputé à l'état des revenus, des dépenses et de la dette non provisionnée - Caisse des accidents relevant de l'annexe I | 90 510 \$ | 114 644 \$ |

9. REVENU DE PLACEMENTS

| | | |
|------|------------|------------|
| 1985 | 193 046 \$ | 182 083 \$ |
| | (6 237) | (5 437) |
| | (443) | (142) |
| | 186 366 \$ | 176 225 \$ |

Revenu de placements

Moins

Amortissement des pertes, déduction faite des gains

sur la vente des placements

Frais de gestion de placements

10. FRAIS D'INDEMNISATION

| | | |
|------|------------|------------|
| 1985 | 515 204 \$ | 466 695 \$ |
| | 137 649 | 117 637 |
| | 23 597 | 21 619 |
| | 312 343 | 275 016 |
| | 988 793 \$ | 880 953 |
| | 2 169 | 1 603 |
| | 986 624 \$ | 879 354 |

Indemnités

Aide médicale

Réadaptation

Pensions

Moins recouvrements provenant de tierces parties

11. ENGAGEMENTS SANCTIONNÉS PAR LA LOI

| | | | |
|------|----------|-------|-------|
| 1985 | 5 377 \$ | 6 237 | 828 |
| | 781 | | |
| | 627 | | |
| | 115 | | |
| | 6 900 \$ | | 7 065 |

Loi sur la santé et la sécurité au travail

Sauvetage dans les mines

Tribunal d'appel des accidents du travail

Conseiller des travailleurs et du patronat

12. ENGAGEMENTS LOCATIFS

La Commission loue des bureaux en vertu de contrats de location dont les dates d'expiration s'échelonnent sur plusieurs années. Le loyer minimum total en vertu de ces contrats pour les cinq années à venir est comme suit :

| | | | |
|------|----------|------|----------|
| 1986 | 6 787 \$ | 1989 | 5 288 \$ |
| 1987 | 6 170 \$ | 1990 | 4 392 \$ |
| 1988 | 5 793 \$ | | |

(en milliers de \$)

(en milliers de \$)

13. CAISSE DE RETRAITE

La Commission a établi un régime de retraite à prestations déterminées pour ses employés et les employés des associations provinciales de sécurité. Les états de compte de cette caisse font l'objet d'états financiers séparés. L'évaluation actuarielle triennale la plus récente au 31 décembre 1983 a révélé que la caisse était excédentaire.

14. CHIFFRES COMPARATIFS

Certains chiffres comparatifs ont été reclassifiés pour correspondre à la présentation de cet exercice.

PLACEMENTS

obligations
potétiq

rtie non amortie des pertes subies, déduction
tate des profits sur la vente de placements

acements à court terme

| 1985 | 1984 |
|--------------|--------------|
| 1 365 500 \$ | 1 081 502 \$ |
| 398 510 | 392 656 |
| 1 764 010 \$ | 1 474 158 \$ |
| 28 350 | 27 045 |
| 1 792 360 \$ | 1 501 203 \$ |
| 121 853 | 203 708 |
| 1 914 213 \$ | 1 704 911 \$ |

AUTRES ÉLÉMENTS DE L'ACTIF

evenu cumulé de placements
evenu cumulé provenant des cotisations
otisations et autres montants à recevoir
recevoir des comptes de l'annexe 2
épenses réglées d'avance

| 1985 | 1984 |
|------------|------------|
| 41 269 \$ | 34 301 \$ |
| 150 000 | 120 000 |
| 367 628 | 273 712 |
| 286 | 7 523 |
| 4 198 | 1 985 |
| 563 381 \$ | 437 521 \$ |

IMMOBILISATIONS

(en milliers de \$)

| Taux d'amortissement | Valeur comptable nette | Amortissement | Coût |
|----------------------|------------------------|---------------|-----------|
| — | 6 754 \$ | — \$ | 6 754 \$ |
| 2 1/2 % | 5 179 | 5 855 | 11 034 |
| 10 % | 1 323 | 2 012 | 3 335 |
| 20 % | 2 055 | 12 311 | 14 366 |
| 25 % | 965 | 744 | 1 709 |
| | 16 276 \$ | 20 922 \$ | 37 198 \$ |

Les frais de dépréciation et d'amortissement étaient pour l'année de 2 886 000 \$ (2 797 000 \$ en 1984).

7. COMPTES FOURNISSEURS ET CHARGES À PAYER

Comptes fournisseurs et charges à payer
Chèques émis et non encaissés

| 1985 | 1984 |
|-----------|-----------|
| 32 342 \$ | 24 084 \$ |
| 23 787 | 19 967 |
| 56 129 \$ | 44 051 \$ |

8. FRAIS D'ADMINISTRATION RECOUVRABLES

La Commission administre le paiement des indemnités aux travailleurs pour le compte des employeurs relevant de l'annexe 2. À cette fin, elle impose à ces employeurs des droits calculés sur la totalité des frais d'administration, moins certains frais qui ne s'appliquent pas à l'annexe 2.

En 1985, la Commission a commencé à facturer les employeurs relevant de l'annexe 2 mensuellement, les frais d'administration étant recouverts de manière continue.

I. CONVENTIONS COMPTABLES

Méthode comptable

Les états financiers ont été préparés conformément à la méthode de la comptabilité d'exercice, exception faite des paiements d'indemnités relevant de l'annexe 2 et des remboursements s'y rapportant qui sont comptabilisés selon la méthode de la comptabilité de caisse.

Placements

Les placements sont comptabilisés au coût amorti dans le cas des obligations et au coût amorti moins les remboursements du capital dans les cas des hypothèques. La différence entre le produit de la vente d'une obligation ou d'une hypothèque et sa valeur comptable est considérée comme un redressement du rendement futur du portefeuille, différé dans le bilan et amorti jusqu'à l'échéance du titre vendu ou sur 20 ans, selon la période la plus courte. Les placements à court terme sont comptabilisés au prix coûtant.

La valeur marchande des placements n'est pas publiée car la Commission les conserve généralement jusqu'à l'échéance.

Immobilisations

Les terrains, bâtiments, équipements, améliorations locales et véhicules à moteur sont déclarés au coût d'acquisition. Les bâtiments, équipements,

2. CHANGEMENT DE MÉTHODE COMPTABLE SERVANT À CALCULER LA VALEUR ACTUELLE ESTIMATIVE DES PAIEMENTS FUTURS AUX REQUÉRANTS ACTUELS RELEVANT DE L'ANNEXE 1

Dette non provisionnée, début de l'exercice

Telle qu'acquies précédemment

Changement de pratique comptable servant à calculer la valeur actuelle estimative des paiements futurs aux requérants actuels relevant de l'annexe 1

Reurassement

La Loi sur les accidents du travail a été modifiée le 20 décembre 1985 suite à l'adoption du projet de loi 81 en vertu duquel les pensions et les indemnités d'invalidité temporaire sont indexées annuellement en fonction des fluctuations de l'indice des prix à la consommation pour la période de douze mois se terminant le 31 octobre de l'année précédente. Pour refléter cette modification, le conseil d'administration a approuvé un taux d'actualisation de 3 % le 4 juin 1986.

L'adoption du taux d'actualisation ci-dessus diffère de la pratique comptable précédente qui consistait à s'orienter vers une dette indexée en diminuant annuellement de 0,5 % le taux d'actualisation net (les taux d'actualisation nets en vigueur au 31 décembre 1984 et au 31 décembre 1983 étant de 6,5 % et 7 % respectivement).

3. ANNEXE 1 ET ANNEXE 2

Les employeurs faisant partie des industries relevant de l'annexe 1 sont tenus de contribuer à la caisse des accidents, et ceux faisant partie des industries relevant de l'annexe 2 sont tenus de payer individuellement les

indemnités, les prestations d'aide médicale, les frais de réadaptation et les pensions.

Etant donné que l'ancienne méthode n'a pas été utilisée, la différence par rapport à l'année précédente n'est pas représentative.

La provision prévue par le projet de loi 81 et les changements subséquents apportés à la méthode d'évaluation servant à calculer la valeur actuelle estimative des paiements futurs aux requérants actuels relevant de l'annexe 1 ont été appliqués rétroactivement aux années précédentes. En raison de ce changement, l'excédent des dépenses sur les revenus a augmenté de 160 millions de dollars par rapport aux chiffres publiés dans les états financiers de 1984 et l'excédent des dépenses sur les revenus a augmenté de 1,7 milliard de dollars – ce que reflète la dette non provisionnée – pour les années antérieures à 1984.

| | |
|--------------|-------------|
| (12 710 475) | (1 860 000) |
| (13 725 315) | (1 700 000) |

1985

en milliers de \$

1984

exercice clos le 31 décembre 1985

| TIT | | 1985 | 1984 |
|--|--|-----------|-----------|
| caisse | | 694 \$ | 175 \$ |
| placements | | 11 862 | 7 772 |
| frais d'administration recouvrables (note 8) | | — | 10 443 |
| crédits et autres créances | | 291 | 172 |
| ASSIF | | 12 847 \$ | 18 562 \$ |
| payable aux comptes de l'annexe 1 | | 286 \$ | 7 523 \$ |
| dépôts nets | | 12 561 | 11 039 |
| | | 12 847 \$ | 18 562 \$ |

approuvé par le Conseil d'administration

Roos M. Legi

président

[Signature]

Vice-président de l'administration et gestionnaire général

Augmentation des Dépôts

| | | | |
|----------------------------------|-----------|--------|-----------|
| remboursement par les employeurs | 84 660 \$ | 12 589 | 75 215 \$ |
| indemnités | 12 589 | 12 023 | |
| Frais d'administration | 1 093 | 818 | |
| Revenu de placements | 98 342 \$ | | 88 056 \$ |

Diminution des Dépôts

| | | | |
|--------------------------------|-----------|-----------|-----------|
| indemnisation des travailleurs | 34 373 \$ | 14 137 | 31 189 \$ |
| indemnités | 14 137 | 12 334 | |
| Aide médicale | 1 305 | 1 129 | |
| Réadaptation | 34 416 | 30 210 | |
| Pensions | 12 589 | 12 023 | |
| Frais d'administration | 96 820 \$ | 86 885 \$ | |

| | | | |
|----------------------------------|-----------|-----------|--|
| Augmentation des dépôts nets | 1 522 \$ | 1 171 \$ | |
| Dépôts nets, début de l'exercice | 11 039 | 9 868 | |
| Dépôts nets, fin de l'exercice | 12 561 \$ | 11 039 \$ | |

ort de l'actuaire-conseil sur l'évaluation du passif actuariel de la caisse des accidents relevant de
xe 1 de la Commission des accidents du travail de l'Ontario au 31 décembre 1985.

La valeur actuelle estimative des indemnités, pensions et prestations d'aide médicale futures
dées aux requérants relevant de l'annexe 1, victimes d'accidents survenus avant le 1^{er} janvier 1986,
élève à 7,82 milliards de dollars, a été calculée par l'actuaire de la Commission après consultation
notre firme. Nous estimons que les hypothèses admises dans cette évaluation sont adéquates et que
éthodes utilisées sont conformes aux principes actuariels reconnus. Nous avons vérifié les calculs la
us l'avons jugé nécessaire. Nous avons également examiné les données sur lesquelles étaient
es ces calculs et nous les avons trouvées suffisantes aux fins d'évaluation et conformes aux états
ciers de la Commission.

évaluation a été faite conformément aux dispositions de la Loi sur les accidents du travail en vigueur
1 décembre 1985. Une réserve globale suffisante a été constituée pour couvrir les augmentations
tuelles du plafond des gains assurables et du niveau des pensions ainsi que des indemnités
alité temporaire par suite des modifications que le projet de loi 81 a apportées à la législation.
e réserve a été calculée d'après un taux de rendement net annuel de 3 % sur les placements, d'après
thèse selon laquelle il faudra se servir du revenu de placements dépassant ce taux pour
visionner les augmentations des indemnités liées à l'inflation. Pour déterminer le taux de rendement
estimatif sur les placements, il a été tenu compte des changements que la Commission a apportés à
olitique de placement et à son mode de recouvrement des cotisations après le 31 décembre 1985.
La valeur actuelle comprend également la valeur actuarielle estimative des paiements supplémentaires
liant des modifications apportées à la Loi par le projet de loi 101. Bien qu'il ait été nécessaire
iliser des chiffres approximatifs pour évaluer ce montant, ces approximations sont sans conséquence
r l'évaluation.

Les méthodes et hypothèses utilisées dans cette évaluation sont conformes à celles dont on s'est servi
s l'évaluation précédente, compte tenu de l'évolution des tendances en matière d'indemnisation et
modifications introduites par le projet de loi 81. Nous présenterons l'exposé complet des méthodes
ypothèses utilisées cette année dans le rapport détaillé que nous soumettrons à la Commission sur
évaluation.
À notre avis et compte tenu de ce qui précède, la somme de 7,82 milliards de dollars inscrite au
décembre 1985 représente une réserve raisonnable pour couvrir les coûts futurs des indemnités, des
nsions et des prestations d'aide médicale accordées aux requérants relevant de l'annexe 1, en fonction
taux d'accidents survenus avant le 1^{er} janvier 1986.

Si des dispositions visant à protéger des effets de l'inflation, semblables à celle qui ont été promulguées
r le projet de loi 81, avaient été en vigueur lors des évaluations précédentes et que les politiques
urantes à l'égard des placements et du recouvrement des cotisations (introduites par suite de
option du projet de loi 81) avaient été en place, les valeurs correspondantes au 31 décembre 1983
au 31 décembre 1984 s'élèveraient respectivement à 5,65 et 6,69 milliards de dollars. Pour calculer
s valeurs, on s'est fondé sur les mêmes hypothèses et méthodes actuarielles que celles utilisées pour
évaluer les valeurs actuelles des versements futurs à ces dates, bien qu'on ait pris en considération un taux
rendement net hypothétique de 3 % par an sur les placements et qu'on ait modifié les autres facteurs
onomiques en conséquence pour qu'ils soient conformes à ce taux de rendement.

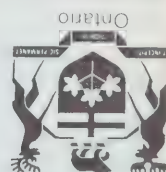
David A. Short, F.S.A., F.C.I.A.

actuaires auprès de la firme
Eckler Partners Ltd.

le 16 juin 1986

David A. Short

David A. Short



**Bureau du
vérificateur
provincial**

Edifices du Parlement
Queen's Park
Toronto (Ontario)
M7A 1A2
(416) 965-1381

La Commission des accidents du travail
et Monsieur le ministre du Travail.

J'ai examiné le bilan de la caisse des accidents relevant de l'annexe 1 et le bilan de l'annexe 2 de la Commission des accidents du travail au 31 décembre 1985, l'état des revenus, des dépenses et de la dette non provisionnée de la Caisse des accidents relevant de l'annexe 1 et l'état de l'évolution des dépôts nets de l'annexe 2 de l'exercice. L'examen a été effectué conformément aux normes de vérification généralement reconnues et a comporté, par conséquent, les tests et autres procédés que j'ai jugés nécessaires dans les circonstances. La valeur actuelle estimative des paiements futurs aux requérants actuels relevant de l'annexe 1 a été calculée par l'actuaire de la Commission et vérifiée par un actuaire-conseil indépendant. À mon avis, fondé sur cet examen et le rapport de l'actuaire-conseil indépendant, ces états financiers présentent fidèlement la situation financière de la Commission au 31 décembre 1985 ainsi que les résultats de ses activités pour l'exercice, selon les conventions comptables énoncées à la note 1 annexée aux états financiers appliquées de la même manière qu'au cours de l'exercice précédent, après avoir appliqué rétroactivement le changement apporté à la méthode d'évaluation pour calculer la valeur actuelle estimative des paiements futurs aux requérants actuels relevant de l'annexe 1 tel qu'indiqué à la note 2 des états financiers.

Un rapport de la vérification a été adressé à la Commission et au ministre.

D.F. Archer

Le vérificateur provincial
D.F. Archer, F.C.A.

Toronto (Ontario)
Le 9 juin 1986

MISSION DES ACCIDENTS DU TRAVAIL - ETATS FINANCIERS

l'exercice clos le 31 décembre 1985

TABLE DES MATIERES

| | |
|----|--|
| 26 | apport du vérificateur |
| 27 | apport de l'actuaire-conseil |
| 28 | an — Caisse des accidents relevant de l'annexe 1 |
| 28 | et des revenus, des dépenses et de la dette non provisionnée — Caisse des accidents relevant de l'annexe 1 |
| 29 | an — Annexe 2 |
| 29 | at de l'évolution des dépôts nets — Annexe 2 |
| 30 | tes afférentes aux états financiers |
| 33 | isse des accidents relevant de l'annexe 1 — Dépenses pour la prévention des accidents |
| 33 | isse des accidents relevant de l'annexe 1 — Frais d'administration |

TABLE DES MATIERES

| | |
|----|---|
| 34 | apport du vérificateur |
| 35 | at des transactions et solde de la caisse |
| 37 | otes afférentes aux états financiers |

Demandes de prestations de décès réglées 1980-1985

Par secteur

Nombre de demandes et pourcentage

| Secteurs | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | |
|------------------------------------|------|-------|------|-------|------|-------|------|-------|------|-------|------|-------|
| Fabrication | 39 | 19,7 | 51 | 23,2 | 49 | 24,0 | 50 | 27,9 | 60 | 30,0 | 34 | 23,6 |
| Construction | 30 | 15,2 | 47 | 21,4 | 31 | 15,2 | 21 | 11,7 | 28 | 14,0 | 34 | 23,6 |
| Mines carrières exploitations | | | | | | | | | | | | |
| Pétrolières | 33 | 16,7 | 20 | 9,1 | 22 | 10,8 | 15 | 8,4 | 23 | 11,5 | 18 | 12,5 |
| Transport et communications | 25 | 12,6 | 38 | 17,3 | 36 | 17,7 | 36 | 20,1 | 25 | 12,5 | 16 | 11,1 |
| Administration publique et défense | 21 | 10,6 | 15 | 6,8 | 10 | 4,9 | 13 | 7,3 | 11 | 5,5 | 13 | 9,0 |
| Vente en gros et au détail | 26 | 13,2 | 13 | 5,9 | 16 | 7,8 | 17 | 9,5 | 15 | 7,5 | 11 | 7,6 |
| Services | 9 | 4,5 | 15 | 6,8 | 22 | 10,8 | 13 | 7,3 | 17 | 8,5 | 8 | 5,6 |
| Agriculture | 5 | 2,5 | 7 | 3,2 | 11 | 5,4 | 5 | 2,8 | 9 | 4,5 | 5 | 3,5 |
| Finance assurance et immobilier | 0 | 0,0 | 3 | 1,3 | 0 | 0,0 | 1 | 0,5 | 1 | 0,5 | 3 | 2,1 |
| Forêtierie | 9 | 4,5 | 6 | 2,7 | 6 | 2,9 | 8 | 4,5 | 7 | 3,5 | 2 | 1,4 |
| Pêche et piégeage | 0 | 0,0 | 0 | 0,0 | 1 | 0,5 | 0 | 0,0 | 3 | 1,5 | 0 | 0,0 |
| Autres | 1 | 0,5 | 5 | 2,3 | 0 | 0,0 | 0 | 0,0 | 1 | 0,5 | 0 | 0,0 |
| Nombre total de demandes | 198 | 100,0 | 220 | 100,0 | 204 | 100,0 | 179 | 100,0 | 200 | 100,0 | 144 | 100,0 |

Nombre de demandes et pourcentage

[illegible]

Nombre de demandes et pourcentage

| 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------|------------|------------|------------|------------|------------|
| 1 152 | 1 489 | 1 686 | 2 357 | 2 839 | 2 478 |
| 25,7 | 29,7 | 28,1 | 30,2 | 30,7 | 29,9 |
| Demandes % | Demandes % | Demandes % | Demandes % | Demandes % | Demandes % |
| 324 | 329 | 356 | 600 | 691 | 687 |
| 7,2 | 6,6 | 5,9 | 7,7 | 7,5 | 8,3 |
| 237 | 248 | 270 | 332 | 380 | 331 |
| 5,3 | 4,9 | 4,5 | 4,3 | 4,1 | 4,0 |
| 77 | 99 | 134 | 235 | 319 | 262 |
| 1,7 | 2,0 | 2,3 | 3,0 | 3,1 | 3,0 |
| 162 | 155 | 170 | 214 | 289 | 251 |
| 3,6 | 3,1 | 2,8 | 2,7 | 2,2 | 2,5 |
| 141 | 133 | 117 | 175 | 201 | 211 |
| 93 | 132 | 170 | 242 | 243 | 190 |
| 2,1 | 2,6 | 2,8 | 3,1 | 2,6 | 2,3 |
| 78 | 107 | 113 | 149 | 182 | 149 |
| 1,7 | 2,1 | 1,9 | 1,9 | 2,0 | 1,8 |
| 73 | 60 | 97 | 115 | 159 | 131 |
| 1,6 | 1,2 | 1,6 | 1,5 | 1,7 | 1,6 |
| 76 | 99 | 95 | 116 | 119 | 102 |
| 1,7 | 2,0 | 1,6 | 1,5 | 1,3 | 1,2 |
| 47 | 61 | 68 | 88 | 94 | 100 |
| 1,1 | 1,2 | 1,1 | 1,1 | 1,0 | 0,8 |
| 27 | 19 | 37 | 37 | 78 | 68 |
| 0,6 | 0,4 | 0,6 | 0,5 | 0,8 | 0,7 |
| 59 | 58 | 60 | 66 | 62 | 57 |
| 1,3 | 1,2 | 1,0 | 0,8 | 0,7 | 0,7 |
| 37 | 23 | 30 | 48 | 71 | 45 |
| 0,8 | 0,5 | 0,5 | 0,6 | 0,8 | 0,5 |
| 18 | 26 | 24 | 35 | 28 | 41 |
| 0,4 | 0,5 | 0,4 | 0,5 | 0,3 | 0,5 |
| 804 | 1 011 | 1 452 | 1 784 | 2 150 | 1 854 |
| 17,9 | 20,1 | 24,2 | 22,8 | 23,3 | 22,4 |
| 4 489 | 5 019 | 5 998 | 7 810 | 9 238 | 8 294 |
| 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Nombre total de demandes

505
 (s) (t) parties multiples
 506
 507
 508
 509
 510
 511
 512
 513
 514
 515
 516
 517
 518
 519
 520
 521
 522
 523
 524
 525
 526
 527
 528
 529
 530
 531
 532
 533
 534
 535
 536
 537
 538
 539
 540
 541
 542
 543
 544
 545
 546
 547
 548
 549
 550
 551
 552
 553
 554
 555
 556
 557
 558
 559
 560
 561
 562
 563
 564
 565
 566
 567
 568
 569
 570
 571
 572
 573
 574
 575
 576
 577
 578
 579
 580
 581
 582
 583
 584
 585
 586
 587
 588
 589
 590
 591
 592
 593
 594
 595
 596
 597
 598
 599
 600
 601
 602
 603
 604
 605
 606
 607
 608
 609
 610
 611
 612
 613
 614
 615
 616
 617
 618
 619
 620
 621
 622
 623
 624
 625
 626
 627
 628
 629
 630
 631
 632
 633
 634
 635
 636
 637
 638
 639
 640
 641
 642
 643
 644
 645
 646
 647
 648
 649
 650
 651
 652
 653
 654
 655
 656
 657
 658
 659
 660
 661
 662
 663
 664
 665
 666
 667
 668
 669
 670
 671
 672
 673
 674
 675
 676
 677
 678
 679
 680
 681
 682
 683
 684
 685
 686
 687
 688
 689
 690
 691
 692
 693
 694
 695
 696
 697
 698
 699
 700
 701
 702
 703
 704
 705
 706
 707
 708
 709
 710
 711
 712
 713
 714
 715
 716
 717
 718
 719
 720
 721
 722
 723
 724
 725
 726
 727
 728
 729
 730
 731
 732
 733
 734
 735
 736
 737
 738
 739
 740
 741
 742
 743
 744
 745
 746
 747
 748
 749
 750
 751
 752
 753
 754
 755
 756
 757
 758
 759
 760
 761
 762
 763
 764
 765
 766
 767
 768
 769
 770
 771
 772
 773
 774
 775
 776
 777
 778
 779
 780
 781
 782
 783
 784
 785
 786
 787
 788
 789
 790
 791
 792
 793
 794
 795
 796
 797
 798
 799
 800
 801
 802
 803
 804
 805
 806
 807
 808
 809
 810
 811
 812
 813
 814
 815
 816
 817
 818
 819
 820
 821
 822
 823
 824
 825
 826
 827
 828
 829
 830
 831
 832
 833
 834
 835
 836
 837
 838
 839
 840
 841
 842
 843
 844
 845
 846
 847
 848
 849
 850
 851
 852
 853
 854
 855
 856
 857
 858
 859
 860
 861
 862
 863
 864
 865
 866
 867
 868
 869
 870
 871
 872
 873
 874
 875
 876
 877
 878
 879
 880
 881
 882
 883
 884
 885
 886
 887
 888
 889
 890
 891
 892
 893
 894
 895
 896
 897
 898
 899
 900
 901
 902
 903
 904
 905
 906
 907
 908
 909
 910
 911
 912
 913
 914
 915
 916
 917
 918
 919
 920
 921
 922
 923
 924
 925
 926
 927
 928
 929
 930
 931
 932
 933
 934
 935
 936
 937
 938
 939
 940
 941
 942
 943
 944
 945
 946
 947
 948
 949
 950
 951
 952
 953
 954
 955
 956
 957
 958
 959
 960
 961
 962
 963
 964
 965
 966
 967
 968
 969
 970
 971
 972
 973
 974
 975
 976
 977
 978
 979
 980
 981
 982
 983
 984
 985
 986
 987
 988
 989
 990
 991
 992
 993
 994
 995
 996
 997
 998
 999
 1000

Demandes d'indemnités d'invalidité totale temporaire réglées 1980-1985

Par partie du corps blessée

Nombre de demandes et pourcentage

| Partie du corps blessée | 1980 | 1981 | 1982 | 1983 | 1984* | 1985* |
|--------------------------|---------|---------|---------|---------|---------|---------|
| Dos | 37 842 | 39 327 | 37 534 | 35 874 | 42 896 | 48 988 |
| Dos (t) | 20 441 | 19 206 | 17 558 | 14 750 | 18 313 | 21 164 |
| Parties multiples | 6 827 | 8 358 | 8 338 | 7 747 | 8 907 | 9 398 |
| Genu | 6 334 | 4 384 | 4 271 | 3 376 | 7 478 | 9 054 |
| Cheville | 8 095 | 7 387 | 6 851 | 5 848 | 7 760 | 9 054 |
| Main | 7 420 | 6 705 | 6 376 | 5 678 | 7 698 | 8 881 |
| Epaule | 4 755 | 4 055 | 4 012 | 3 603 | 6 518 | 8 238 |
| Pied | 4 692 | 2 056 | 2 113 | 1 424 | 5 843 | 7 574 |
| Pied | 7 135 | 6 974 | 6 222 | 5 516 | 6 621 | 7 196 |
| Poignet | 4 166 | 3 829 | 3 678 | 3 263 | 4 586 | 5 617 |
| Poitrine | 2 890 | 2 538 | 2 475 | 2 227 | 3 643 | 3 985 |
| Abdomen | 3 237 | 3 690 | 3 393 | 3 252 | 3 538 | 3 687 |
| Coude | 2 314 | 1 542 | 1 495 | 1 400 | 2 625 | 3 255 |
| Jambe | 6 533 | 9 006 | 8 035 | 3 975 | 2 945 | 3 119 |
| Avant-bras | 3 978 | 4 847 | 4 199 | 3 975 | 4 128 | 3 119 |
| Orteils) | 2 879 | 3 059 | 2 759 | 2 510 | 2 079 | 2 256 |
| Autres | 25 487 | 26 147 | 24 374 | 20 542 | 18 317 | 16 888 |
| Nombre total de demandes | 155 225 | 153 110 | 143 683 | 129 467 | 153 895 | 174 063 |

*A la suite de l'introduction d'un système de codification perfectionné, la répartition des demandes d'indemnités d'invalidité totale temporaire réglées est quelque peu différente en 1984 et 1985 comparativement aux années précédentes.

Demandes d'indemnités d'invalidité totale temporaire réglées 1980-1985

Par secteur

Nombre de demandes et pourcentage

| Secteurs | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Fabrication | 62 977 | 60 238 | 53 800 | 46 020 | 58 100 | 67 738 |
| Services | 20 370 | 22 016 | 22 081 | 21 249 | 25 105 | 29 215 |
| Vente en gros et au détail | 14,3 | 14,5 | 14,6 | 14,8 | 14,6 | 14,8 |
| Transport et communications | 12 868 | 13 686 | 15 657 | 19 137 | 22 537 | 25 741 |
| Administration publique et défense | 15 950 | 14 531 | 12 477 | 12 644 | 13 009 | 14 221 |
| Construction | 13 357 | 13 121 | 12 194 | 10 553 | 12 309 | 13 489 |
| Agriculture | 1 988 | 2 032 | 2 035 | 2 010 | 2 351 | 2 316 |
| Mines, carrières, exploitations | 1 988 | 2 032 | 2 035 | 2 010 | 2 351 | 2 316 |
| Pétrolières | 2 976 | 2 769 | 2 127 | 1 476 | 1 895 | 1 700 |
| Finances, assurance et immobilier | 1 331 | 1 407 | 1 331 | 1 211 | 1 404 | 1 536 |
| Forrestière | 1 145 | 1 060 | 943 | 900 | 1 163 | 1 189 |
| Pêche et piégeage | 27 | 33 | 23 | 34 | 31 | 41 |
| Nombre total de demandes | 155 225 | 153 110 | 143 683 | 129 467 | 153 895 | 174 063 |

«demaanaa jeddaa» au cours de l'année. Par contre, les données relatives aux dépenses de la province, en 1997, sont les suivantes :

année de règlement ne correspond pas nécessairement à l'année pendant laquelle l'accident ou la maladie est survenu bien que la plupart des demandes soient réglées dans les quelques semaines après l'accident ou la maladie.

En ce qui concerne la classification, les statistiques fournies donnent des renseignements plus précis sur les demandes d'indemnisation et cette méthode est couramment utilisée par d'autres Commissions au Canada.

Enfin, les définitions des catégories utilisées dans les tableaux suivants :

emendes d'indemnités d'invalidité totale temporaire réglées 1980-1985

nombre de demandes et pourcentage

| Maladies professionnelles | 1980 | 1981 | 1982 | 1983 | 1984* | 1985* |
|--|---------|---------|---------|---------|---------|---------|
| lésions professionnelles | 150 882 | 148 711 | 139 428 | 125 850 | 149 741 | 168 825 |
| nombre total de lésions | 30 264 | 44 436 | 40 835 | 41 575 | 18 966 | 4 635 |
| autres lésions | 1 000 | 0 | 0 | 0 | 0 | 0 |
| asphyxies, étranglements, noyades | 218 | 251 | 168 | 141 | 166 | 164 |
| chocs électriques, électrocutions | 806 | 615 | 557 | 302 | 344 | 306 |
| amputations, énucléations | 623 | 385 | 381 | 270 | 353 | 350 |
| lésions cérébrales | 706 | 552 | 559 | 381 | 491 | 582 |
| luxations | 1 236 | 979 | 975 | 654 | 859 | 1 014 |
| lésions multiples | 1 807 | 1 743 | 1 674 | 1 563 | 1 622 | 1 570 |
| entorses, ruptures | 4 273 | 4 083 | 3 744 | 3 259 | 3 787 | 4 251 |
| fractures ou ébouillement (chaleur) | 6 038 | 5 702 | 4 867 | 4 197 | 4 937 | 5 828 |
| entorses, écorchures | 9 941 | 7 588 | 7 258 | 5 785 | 7 180 | 7 580 |
| fractures | 20 724 | 19 552 | 17 930 | 15 885 | 19 552 | 22 096 |
| coupures, lacerations, plaies ouvertes | 21 699 | 17 817 | 16 929 | 13 991 | 26 334 | 37 108 |
| contusions - peau intacte | 52 546 | 45 008 | 43 551 | 37 847 | 65 150 | 83 341 |
| entorses, foulures | 25 546 | 33 9 | 29 4 | 30 3 | 42 3 | 47 9 |
| Maladies professionnelles | 1 224 | 1 196 | 1 036 | 928 | 962 | 1 176 |
| inhalations (agents chimiques) | 1 087 | 989 | 892 | 573 | 691 | 832 |
| rayons ultraviolets, éblouissements | 617 | 646 | 638 | 631 | 613 | 822 |
| maladies de substances toxiques | 282 | 394 | 455 | 307 | 473 | 785 |
| syphilis, ténosynovites, tendinites | 680 | 650 | 606 | 523 | 565 | 640 |
| dermatite | 212 | 139 | 203 | 330 | 381 | 414 |
| maladies infectieuses et contagieuses | 105 | 138 | 123 | 135 | 253 | 349 |
| inflammation ou irritation des articulations, etc. | 27 | 74 | 59 | 18 | 54 | 53 |
| engelures, etc. | 5 | 20 | 25 | 23 | 18 | 31 |
| neumoconiose | 31 | 57 | 32 | 29 | 39 | 30 |
| coups et crampes de chaleur | 8 | 16 | 20 | 22 | 19 | 12 |
| insolations | 4 | 3 | 6 | 1 | 6 | 5 |
| surdité ou déficience auditive | 2 | 8 | 6 | 6 | 6 | 5 |
| maladie des caissons | 3 | 7 | 4 | 2 | 4 | 2 |
| liberculose | 2 | 1 | 0 | 0 | 3 | 1 |
| silicose | 0 | 1 | 0 | 0 | 0 | 0 |
| autres maladies professionnelles | 54 | 60 | 150 | 89 | 72 | 84 |
| Nombre total de maladies professionnelles | 4 343 | 4 399 | 4 255 | 3 617 | 4 154 | 5 238 |
| Nombre total de lésions | 155 225 | 153 110 | 143 683 | 129 467 | 153 895 | 174 063 |

À la suite de l'introduction d'un système de codification perfectionné, la répartition des demandes d'invalidité totale temporaire restée est quelque peu différente en 1984 et 1985 comparativement aux années précédentes.

Obligations à long terme
Hypothèques
Titres à court terme

| | | | | |
|-------------|---|------|------|------|
| Fin de 1980 | % | 70,1 | 24,1 | 5,8 |
| Fin de 1981 | % | 68,0 | 25,0 | 7,0 |
| Fin de 1982 | % | 63,5 | 26,0 | 10,5 |
| Fin de 1983 | % | 63,1 | 24,7 | 12,2 |
| Fin de 1984 | % | 64,5 | 23,4 | 12,1 |
| Fin de 1985 | % | 72,4 | 21,1 | 6,5 |

Evolution du portefeuille des placements de la caisse des accidents 1980-1985
(En pourcentage)

Le Fonds de garantie pour travailleurs réintégrés (F.G.T.R.) de la Commission est destiné à aider financièrement les employeurs relevant de l'annexe I lorsque l'état de santé préexistant d'un travailleur est partiellement la cause d'une nouvelle lésion ou prolonge la période d'invalidité. La partie des frais d'indemnisation attribuable à l'état de santé préexistant est imputée à ce fonds et non à l'employeur actuel. En 1985, les indemnités et prestations d'aide médicale imputées au F.G.T.R. se sont élevées à 151 748 669 \$, soit 15,8 % de la totalité des frais d'indemnisation associés aux entre-prises relevant de l'annexe I. En 1984, ce montant était de 156 172 643 \$.

Le revenu de placements net de la Commission est

passé de 176,2 millions de dollars en 1984 à 186,4 millions de dollars en 1985, soit une augmentation de 5,8 %. Le rendement courant du portefeuille long terme a continué d'augmenter, passant de 11 en 1984 à 11,4 % en 1985.

L'actif qui était de 2,16 milliards de dollars en 1984 a atteint 2,5 milliards de dollars en 1985, soit une augmentation de 15,7 %. Par ailleurs, 25 % des cotisations prélevées en 1985 ont été investies dans l'actif de la caisse des accidents relevant de l'annexe I. Les placements de la caisse des accidents, évalués au coût amorti rajusté pour les pertes nettes accumulées non amorties, ont été de 1,91 milliard de dollars en 1985 comparativement à 1,70 milliard de dollars en 1984

Plafond des gains assurables aux fins de cotisation
passé de 25 500 \$ en 1984 à 31 500 \$ en 1985.
Plafond des gains annuels aux fins d'indemnisation
était de 26 800 \$ en 1984 est passé à 31 500 \$
1985.

Le taux de cotisation moyen par tranche de cent dollars de masse salariale assurée en 1985 était de 2,31 \$, soit une hausse de 6,5 % par rapport à 1984. Les taux de cotisation en 1985 variaient entre 0,14 \$ et 25,12 \$ par tranche de 100 \$ de masse salariale.

x de cotisation moyen des employeurs relevant de l'annexe I, 1980-1985
 . tranche de 100 \$ de masse salariale)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------------------------|----------|----------|----------|----------|----------|----------|
| de cotisation moyen | 1,65 \$ | 1,69 \$ | 1,77 \$ | 1,88 \$ | 2,17 \$ | 2,31 \$ |
| de cotisation le moins élevé | 0,15 \$ | 0,20 \$ | 0,25 \$ | 0,26 \$ | 0,28 \$ | 0,14 \$ |
| de cotisation le plus élevé | 16,15 \$ | 18,00 \$ | 20,25 \$ | 21,85 \$ | 25,12 \$ | 25,12 \$ |

tion établis selon les méthodes de tarification par incidence et 80 % des employeurs ont reçu des crédits s'élevant à 32,2 millions de dollars tandis que 20 % ont dû payer des surcharges totalisant 27,4 millions de dollars. La variation est due au fait que l'autofinancement du programme CAD-7 s'appliquant à l'industrie de la construction n'est pas suffisant, contrairement aux autres méthodes. Cependant, grâce aux modifications récemment apportées à cette méthode, les résultats s'équilibreront sans doute en 1986.

Commission administrative des tarifs de transport
par incidence qui s'appliquent à 51 des 109 groupes
de taxes. Elle a émis, en 1985, 46 800 relevés de cotisa-
tion moyenne de 17 %.

cotisation annuelle moyenne des employeurs relevant l'annexe I s'élevait en 1985 à 460 \$ par travailleur. Ce calcul est basé sur 109 groupes de taux d'employeurs, qui représentent un large éventail d'entreprises en quartio. La cotisation minimum par travailleur a été de 1 \$ et la cotisation maximum de 7 500 \$. La moyenne estimative pour 1986 est de 548 \$, soit une hausse moyenne de 17 %.

Évolution du revenu provenant des cotisations et de la masse salariale 1980-1985
(1980 = 100 %)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|---------|---------|---------|---------|----------|----------|
| Revenu provenant des cotisations (en millions de dollars) | 529 \$ | 601 \$ | 704 \$ | 789 \$ | 1 060 \$ | 1 330 \$ |
| Pourcentage évolutif | 100 % | 114 % | 133 % | 149 % | 200 % | 251 % |
| Masse salariale totale (en milliards de dollars) | 32,7 \$ | 37,4 \$ | 40,9 \$ | 42,3 \$ | 48,4 \$ | 52,2 \$ |
| Pourcentage évolutif | 100 % | 114 % | 125 % | 129 % | 148 % | 160 % |

Notes explicatives relatives à la caisse des accidents de l'annexe I

En Ontario, les employeurs relevant de l'annexe I de la Loi sur les accidents du travail contribuent à une caisse des accidents commune de laquelle sont prélevés les frais d'indemnisation. Le nombre d'employeurs figurant à l'annexe I est passé de 168 000 en 1984 à 178 000 en 1985, soit une augmentation de 6 %. Le revenu provenant des cotisations s'élevait à la fin de l'année à 1,33 milliard de dollars comparativement à 1,06 milliard de dollars en 1984, soit une augmentation de 25,4 %. La masse salariale estimative des employeurs relevant de l'annexe I est passée de 48,4 milliards de dollars en 1984 à 52,2 milliards de dollars en 1985. Cette augmentation de 7,9 % est tout attribuable au relèvement du plafond des garanties assurables en 1985 et à l'augmentation des salaires dans l'ensemble de la province.

travailleurs ont participé à 4 499 programmes
 aluation au cours de l'année, soit une hausse de
 % par rapport à l'année précédente. Ces pro-
 gmes d'évaluation visent à identifier les intérêts,
 tudes et capacités des travailleurs ainsi qu'à leur

programmes d'évaluation et de formation commencés 1980-1985

| 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|-------|-------|-------|-------|-------|-------|
| 2 758 | 2 780 | 2 775 | 3 302 | 3 837 | 4 499 |
| 2 246 | 2 319 | 2 451 | 2 400 | 2 654 | 2 614 |



Travailleurs blessés réadaptés 1980-1985

Au cours de l'année, le personnel de la réadaptation professionnelle de la Commission a joué un rôle décisif dans la réadaptation de 5 581 travailleurs, soit une augmentation de 26,6 % par rapport aux 4 410 travailleurs réadaptés en 1984. Parmi ces travailleurs, 707 d'entre eux ne retourneront pas sur le marché du travail mais ont reçu une aide financière pour pouvoir subvenir à leurs besoins. Sur les 4 874 travailleurs qui sont retournés sur le marché du travail, 2 534, soit 52 %, ont un nouvel emploi, 2 031, soit 41,7 %, ont été réembauchés par leur employeur et 309, soit 6,3 %, travaillent à leur compte.

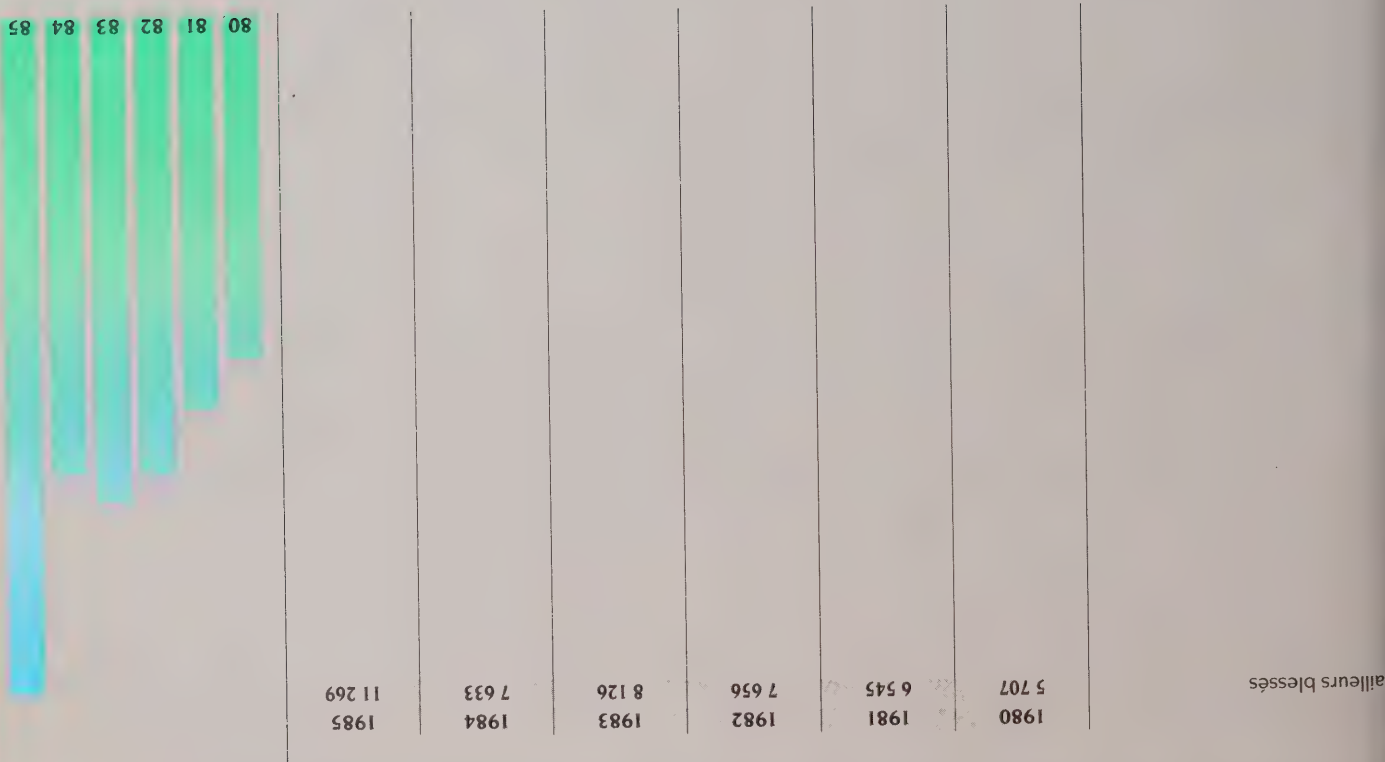
En outre, 4 500 autres dossiers de réadaptation professionnelle ont été menés à terme au cours de l'année, portant le total des dossiers fermés en 1985 à 10 081, soit une augmentation de 21,3 % par rapport à l'année précédente. À la fin de l'année, 9 467 dossiers étaient en cours de règlement.

| Placement des travailleurs réadaptés | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|---|-------|-------|-------|-------|-------|-------|
| Employeur au moment de l'accident | 848 | 1 020 | 991 | 1 320 | 1 293 | 2 031 |
| Nouvel employeur | 1 772 | 1 893 | 1 545 | 1 651 | 2 162 | 2 534 |
| Travailleurs à leur compte | 185 | 191 | 169 | 217 | 259 | 309 |
| Total des travailleurs ayant un emploi | 2 805 | 3 104 | 2 705 | 3 188 | 3 714 | 4 874 |
| Travailleurs ayant reçu une aide financière | 609 | 608 | 777 | 793 | 696 | 707 |
| Total des travailleurs réadaptés | 3 414 | 3 712 | 3 482 | 3 981 | 4 410 | 5 581 |

En 1985, le personnel de la Commission a trouvé 5 291 emplois en Ontario pour les travailleurs réadaptés par rapport à 4 820 en 1984, ce qui représente une augmentation de 9,8 %. Parmi les travailleurs qui ont été embauchés, 1 990, soit 37,6 % d'entre eux, ont participé à des programmes d'évaluation et de formation en cours d'emploi. Le nombre des postes offerts dépasse le nombre de postes disponibles pour permettre aux travailleurs de choisir l'emploi qui leur convient le mieux.

1985, le nombre de travailleurs en Ontario qui ont orientés vers les services de réadaptation professionnels de la Commission s'est chiffré à 11 269 comparativement à 7 633 en 1984. Cette augmentation importante est en partie attribuable au programme des- à admettre les patients au Centre de réadaptation de Downsville le plus tôt possible, à une plus large gamme de services de réadaptation professionnelle et à de meilleures communications entre les agents d'indemnisation, le personnel des services médicaux et les agents de réadaptation.

Nombre de travailleurs blessés orientés vers des services de réadaptation professionnelle 1980-1985



Avant la mise en place du nouveau système de révision des dossiers de la Commission des accidents du travail, le 1^{er} octobre 1985, tout dossier faisant l'objet d'un litige à la suite d'une décision défavorable rendue par un agent d'indemnisation et toute contestation d'une décision refusant en partie le droit à des indemnités à un travailleur étaient automatiquement transmis à la direction de la révision des dossiers. Entre le 1^{er} janvier et le 1^{er} octobre 1985*, 25 641 demandes de révision ont été soumises à la direction de la révision des dossiers, soit une augmentation de 10,3 % par rapport à la même période en 1984. Dans 55,9 % des cas, les recommandations des agents d'indemnisation ont été confirmées. Dans le reste des cas, les recommandations ont été rejetées ou une autre enquête a été demandée. (* Les données relatives à la période du 1^{er} octobre au 31 décembre 1985 n'étaient pas disponibles au moment de l'impression de ce rapport.)

Entre le 1^{er} janvier et le 1^{er} octobre 1985, les commissaires aux appels ont tenu 884 audiences, soit une

baisse de 1,6 % par rapport à la même période en 1984. Les juges-arbitres aux appels ont tenu 4 634 audiences en 1985, soit une hausse de 25,5 % par rapport à l'année précédente. Au cours de 1985, les juges-arbitres aux appels ont accepté 50,1 % des contestations, en tout ou en partie, et les commissaires aux appels, 35,6 %.

Pour faciliter la préparation d'une contestation, un travailleur ou son représentant peut demander une photocopie du dossier en cas de litige. Un employé a également accès au dossier mais uniquement aux documents que la Commission juge pertinents à la question en litige. Depuis le 1^{er} octobre 1985, il doit obtenir l'autorisation du travailleur pour consulter les rapports médicaux. D'autre part, il est possible de consulter un dossier lorsqu'une décision défavorable a été rendue par une des divisions de la Commission et qu'il y a eu contestation. En 1985, les demandes d'accès au dossier se sont chiffrées à 13 421, soit une hausse de 33 % par rapport à l'année précédente.

Les médecins-conseils de la Commission des accidents du travail ont étudié 155 831 dossiers en 1985 comparativement à 144 079 en 1984, soit une augmentation de 8,2 %. Les spécialistes des maladies professionnelles ont étudié 17 528 dossiers en 1985 par rapport à 15 389 l'année précédente, ce qui représente une augmentation de 13,9 %. Il y a eu 17 692 examens relatifs aux pensions d'invalidité permanente, soit 3 % de plus que l'année précédente.

La Commission a versé 146 032 809 \$ en prestations d'aide médicale et frais connexes au cours de l'année, soit une hausse de 13,6 %. De plus, elle a réglé 3 704 408 comptes pour services et articles divers

Travailleurs ayant terminé leur traitement au Centre de réadaptation de Downsview et travailleurs en mesure de retourner au travail 1980-1985

| Nombre de travailleurs ayant terminé leur traitement | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|-------|-------|-------|-------|-------|-------|
| Nombre de travailleurs en mesure de retourner au travail | 4 594 | 6 126 | 6 059 | 5 188 | 5 731 | 7 893 |
| | 5 955 | 6 126 | 6 059 | 6 520 | 6 944 | 9 438 |

1985, 98 % des dossiers simples ont fait l'objet d'un
 ément dans les trois jours ouvrables suivant la
 eption de l'avis d'accident par la Commission. Dans
 cas des dossiers basés sur le premier rapport du
 édecin, la Commission a émis, dans 84,6 % des cas,
 chèque d'indemnisation dans les 30 jours ouvrables.

Temps de réponse - Indemnisation 1980-1985*

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|------|------|------|------|------|-------|
| Dossiers simples tablis d'après le rapport de l'employeur) | % | % | % | % | % | % |
| des demandes payées en 3 jours ouvrables | 94,6 | 95,3 | 95,7 | 96,1 | 96,8 | 98,0 |
| 4 jours ouvrables | 96,6 | 98,1 | 98,7 | 97,9 | 97,8 | 99,0 |
| 5 jours ouvrables | 96,9 | 98,8 | 99,2 | 98,5 | 98,8 | 99,3 |
| Dossiers basés sur le Premier rapport du médecin rapports de l'employeur/ de l'employé requis) | | | | | | |
| des demandes payées en 10 jours ouvrables | 58,1 | 44,4 | 60,6 | 92,9 | 89,7 | 84,6 |
| 20 jours ouvrables | 78,2 | 67,5 | 86,1 | 98,4 | 98,1 | 97,5 |
| 30 jours ouvrables | 91,9 | 82,8 | 94,9 | 99,4 | 99,1 | 100,0 |
| Dossiers complexes enquête ou investigation (nécessaire) | | | | | | |
| des demandes payées en 10 jours ouvrables | 22,1 | 35,1 | 36,0 | 36,8 | 36,8 | 37,0 |
| 20 jours ouvrables | 50,6 | 62,2 | 67,5 | 66,6 | 65,9 | 67,5 |
| 30 jours ouvrables | 75,3 | 76,9 | 82,0 | 84,3 | 84,0 | 82,5 |
| Comparaison sur six ans du temps de réponse entre la réception d'un avis d'accident et l'émission du premier chèque d'indemnisation par la Commission. | | | | | | |
| REMARQUE : Demandes non incluses | | | | | | |
| 1) Demandes d'abord présentées "sans interruption de travail" passant à la catégorie "avec interruption de travail". | | | | | | |
| 2) Demandes pour hernies. | | | | | | |
| 3) Demandes pour maladies professionnelles. | | | | | | |

n 1985, la période d'indemnisation moyenne, soit le
 ombre de jours ouvrables pendant lesquels un travail-
 eur a reçu des indemnités d'invalidité totale temporaire,
 a été de 34,9 jours (7 semaines) comparativement à
 38,1 jours en 1984.

Période d'indemnisation moyenne 1980-1985*

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|------|------|------|------|------|------|
| Nombre de jours ouvrables | 23,4 | 26,4 | 30,3 | 37,4 | 38,1 | 34,9 |
| Nombre de semaines ouvrables | 4,7 | 5,3 | 6,1 | 7,5 | 7,6 | 7,0 |
| Ces chiffres représentent le nombre de jours ouvrables pour lesquels des indemnités d'invalidité totale temporaire ont été accordées (dossiers fermés ou réglés au cours de l'année en question) et non pas des valeurs de rétention utilisées par les services d'actuarial de la Commission dans leur calcul des coûts. | | | | | | |

80
81
82
83
84
85

Pensions en cours au 31 décembre de chaque année 1980-1985 *

Par bénéficiaire

Nombre de pensions et pourcentage

| Bénéficiaires | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|--------|--------|---------|--------|---------|---------|
| Travailleurs blessés | 64 821 | 70 200 | 77 813 | 85 651 | 94 737 | 103 130 |
| Survivants (adultes) | 5 242 | 7,0 | 5 258 | 6,0 | 5 382 | 5,1 |
| Survivants (enfants) | 3 195 | 4,3 | 2 984 | 3,7 | 2 642 | 2,5 |
| Autres (allocation vestimentaire comprise) | 1 490 | 2,0 | 1 545 | 1,9 | 1 836 | 1,8 |
| Nombre total de pensions | 74 748 | 100,0 | 79 987 | 100,0 | 87 627 | 100,0 |
| | 1 490 | 2,0 | 1 545 | 1,9 | 1 728 | 1,8 |
| | 95 495 | 100,0 | 104 597 | 100,0 | 113 002 | 100,0 |

* Ces données comprennent les pensions viagères, les paiements provisoires et les suppléments spéciaux. Les pensions versées sous forme de paiement forfaitaire ne sont pas incluses.

Il y a eu 193* demandes de prestations de décès accordées en 1985 comparativement à 234 en 1984. (chiffre provisoire)

Cas de décès 1980-1985

| Décès | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|-------|------|------|------|------|------|------|
| | 311 | 265 | 226 | 232 | 234 | 193* |

* Chiffre provisoire

REMARQUES :

1) Ces chiffres représentent le nombre de demandes de prestations de décès accordées selon l'année du décès du travailleur.

2) Ces chiffres comprennent les décès causés par des maladies et des lésions professionnelles.

3) Le nombre de demandes de prestations accordées en cas de décès peut faire l'objet de modifications étant donné que les nouvelles demandes accordées sont groupées selon l'année de décès.

Commission a accordé 25 360 nouvelles pensions invalidité permanente en 1985 par rapport à 23 746 en 1984, soit une hausse de 6,8 %. Ce chiffre comprend : pensions viagères, les pensions provisoires et les compléments spéciaux mais les montants forfaitaires cordés en cas d'invalidité permanente ne sont inclus. Des pensions totales accordées, 34 %

À la fin de l'année, le nombre de travailleurs bénéficiant d'une pension s'élevait à 103 130 par rapport à 94 737 l'année précédente, soit une augmentation de 8,9 %.

nouvelles pensions accordées annuellement 1980-1985 *

| Nombre de pensions et pourcentage | | Degré d'invalidité permanente | | Nombre total de pensions | |
|-----------------------------------|--------|-------------------------------|-------|--------------------------|--------|
| 1985 | 1984 | 1985 | 1984 | 1985 | 1984 |
| 25 360 | 23 746 | 100,0 | 100,0 | 12 726 | 14 551 |
| 0,6 | 0,6 | 177 | 14 | 177 | 168 |
| 34,0 | 30,2 | 2 155 | 17,0 | 2 155 | 2 782 |
| 17,6 | 15,2 | 3 577 | 20,2 | 3 005 | 3 005 |
| 22,5 | 25,6 | 3 326 | 26,1 | 3 906 | 26,8 |
| 25,3 | 28,4 | 4 491 | 35,3 | 4 690 | 32,2 |
| 25,3 | 30,7 | 5 867 | 32,2 | 5 867 | 32,2 |
| 23,6 | 23,6 | 4 515 | 24,8 | 4 515 | 24,8 |
| 23,6 | 23,6 | 3 247 | 17,8 | 3 247 | 17,8 |
| 30,1 | 30,1 | 4 379 | 24,0 | 4 379 | 24,0 |
| 1,0 | 1,0 | 214 | 1,2 | 214 | 1,2 |
| 193 | 193 | 18 222 | 100,0 | 18 222 | 100,0 |
| 6 046 | 6 046 | 20 081 | 100,0 | 20 081 | 100,0 |
| 14,6 | 14,6 | 2 940 | 14,6 | 2 940 | 14,6 |
| 23,6 | 23,6 | 4 746 | 23,6 | 4 746 | 23,6 |
| 30,7 | 30,7 | 6 156 | 30,7 | 6 156 | 30,7 |
| 30,7 | 30,7 | 6 736 | 28,4 | 6 736 | 28,4 |
| 28,4 | 28,4 | 6 417 | 25,3 | 6 417 | 25,3 |
| 25,3 | 25,3 | 5 711 | 22,5 | 5 711 | 22,5 |
| 17,6 | 15,2 | 4 452 | 17,6 | 4 452 | 17,6 |
| 34,0 | 30,2 | 8 626 | 34,0 | 8 626 | 34,0 |
| 0,6 | 0,6 | 154 | 0,6 | 154 | 0,6 |
| 100,0 | 100,0 | 25 360 | 100,0 | 25 360 | 100,0 |

Ces données comprennent les pensions viagères, les paiements provisoires et les suppléments spéciaux. Les pensions versées sous forme de paiement forfaitaire ne sont pas incluses.

Pensions en cours au 31 décembre de chaque année 1980-1985 *

| Nombre de pensions et pourcentage | | Degré d'invalidité permanente | | Nombre total de pensions | |
|-----------------------------------|--------|-------------------------------|-------|--------------------------|--------|
| 1985 | 1984 | 1985 | 1984 | 1985 | 1984 |
| 103 130 | 94 737 | 100,0 | 100,0 | 64 821 | 70 200 |
| 6,1 | 6,3 | 3 487 | 5,4 | 3 487 | 5,4 |
| 6,2 | 6,2 | 4 553 | 7,0 | 4 553 | 7,0 |
| 10,5 | 10,5 | 6 874 | 10,6 | 6 874 | 10,6 |
| 38,0 | 38,0 | 27 541 | 39,2 | 27 541 | 39,2 |
| 39,2 | 39,2 | 26 426 | 37,6 | 26 426 | 37,6 |
| 38,2 | 38,2 | 29 719 | 38,2 | 29 719 | 38,2 |
| 38,5 | 38,5 | 29 957 | 38,5 | 29 957 | 38,5 |
| 10,8 | 10,8 | 8 437 | 10,8 | 8 437 | 10,8 |
| 5,7 | 5,7 | 4 440 | 5,7 | 4 440 | 5,7 |
| 100,0 | 100,0 | 77 813 | 100,0 | 77 813 | 100,0 |
| 5 291 | 5 291 | 85 651 | 100,0 | 85 651 | 100,0 |
| 6,2 | 6,2 | 5 544 | 6,5 | 5 544 | 6,5 |
| 9,13 | 9,13 | 9 114 | 10,6 | 9 114 | 10,6 |
| 38,0 | 38,0 | 36 025 | 38,0 | 36 025 | 38,0 |
| 39,0 | 39,0 | 36 959 | 39,0 | 36 959 | 39,0 |
| 39,2 | 39,2 | 40 404 | 39,2 | 40 404 | 39,2 |
| 38,0 | 38,0 | 39 221 | 38,0 | 39 221 | 38,0 |
| 10,5 | 10,5 | 10 848 | 10,5 | 10 848 | 10,5 |
| 6,2 | 6,2 | 6 377 | 6,2 | 6 377 | 6,2 |
| 6,1 | 6,1 | 6 280 | 6,1 | 6 280 | 6,1 |
| 100,0 | 100,0 | 103 130 | 100,0 | 103 130 | 100,0 |

Ces données comprennent les pensions viagères, les paiements provisoires et les suppléments spéciaux. Les pensions versées sous forme de paiement forfaitaire ne sont pas incluses.

Notes explicatives sur les demandes d'indemnisation

La Commission des accidents du travail de l'Ontario a enregistré une forte augmentation du volume des demandes d'indemnités en 1985. En effet, 426 880 nouvelles demandes d'indemnités ont été soumises en Ontario en 1985 comparativement à 388 845 en 1984, soit un hausse de 9,8 %.

Les demandes adressées au Bureau régional de London et au Bureau régional de Sudbury ont été de 28 361 et de 16 362 respectivement et le reste a été

Catégories de demandes d'indemnités 1980-1985

Nombre de demandes et pourcentage

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|--|---------|---------|---------|---------|---------|---------|
| Indemnités accordées : | | | | | | |
| pour interruption de travail | 165 221 | 163 366 | 148 713 | 147 666 | 172 002 | 188 461 |
| Indemnités refusées | 246 255 | 222 374 | 183 990 | 175 871 | 192 919 | 207 104 |
| Autres (y compris les demandes retirées et en cours) | 4 866 | 3 722 | 1 202 | 4 232 | 3 581 | 7 295 |
| Nombre total de demandes | 444 674 | 415 044 | 349 747 | 344 758 | 388 845 | 426 880 |
| | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |
| | 1,1 | 0,9 | 0,4 | 1,3 | 1,0 | 1,7 |
| | 6,4 | 6,1 | 4,5 | 4,9 | 5,2 | 5,6 |
| | 55,4 | 53,6 | 52,6 | 51,0 | 49,6 | 48,5 |
| | 37,1 | 39,4 | 42,5 | 42,8 | 44,2 | 44,2 |
| Demandaes % | | | | | | |
| Demandaes % | | | | | | |
| Demandaes % | | | | | | |
| Demandaes % | | | | | | |
| Demandaes % | | | | | | |
| Demandaes % | | | | | | |

80 81 82 83 84

Dans son rapport annuel de 1983, la Commission des accidents du travail a expliqué pourquoi n'avait cessé de croître la dette non provisionnée, c'est-à-dire la réserve globale nécessaire pour faire face à ses engagements envers les travailleurs et son actif à court terme disponible pour acquitter ces futurs coûts. L'augmentation de la dette non provisionnée au cours des dix dernières années provient de plusieurs facteurs, à savoir : l'absence de financement prévisionnel pour couvrir les augmentations légifiées des indemnités, tenant compte de l'inflation, la hausse des taux de rétention (durée moyenne de l'émision) et, plus récemment, l'augmentation du nombre des lésions, les limites imposées concernant la hausse des taux de cotisation et la pression de 1982/1983 qui a eu pour effet de diminuer l'assiette des cotisations.

Le projet de loi 81, qui a été adopté par l'Assemblée législative de l'Ontario en décembre 1985, a dissipé la grande incertitude qui planait sur la situation financière de la Commission tout en sauvegardant le pouvoir d'achat des travailleurs blessés recevant des indemnités. (Le projet de loi a officialisé les augmentations constantes amorcées en 1974 accordées aux indemnités, ce qui rendait difficile, voire impossible, pour la Commission de provisionner les augmentations à venir. Sachant maintenant que les indemnités sont indexées tous les ans en vertu sur l'indice des prix à la consommation, la Commission est en mesure de provisionner les futures augmentations.

Cela ne signifie pas pour autant que la Commission est déficitaire au sens courant du terme. Elle n'a en effet jamais eu à emprunter pour couvrir ses dettes à court terme. Toutefois, elle considérerait comme peu réaliste d'établir des taux de cotisation suffisamment élevés pour couvrir la totalité d'éléments de passif tels que l'indexation des indemnités, la hausse des taux de rétention et la récente poussée du nombre des lésions, si bien que ses obligations financières à l'égard des travailleurs blessés ont augmenté plus rapidement que son actif.

À titre d'exemple pour illustrer ce qui précède, les actuelles ont calculé que, même sans indexation, la Commission devra verser 2,3 milliards de dollars en indemnités et services pour les nouvelles lésions survenues en 1986. Compte tenu des dispositions du projet de loi 81 et d'un taux d'inflation moyen de 6 % par an, le coût de ces versements atteindra 6,9 milliards de dollars. La réserve globale nécessaire pour couvrir le versement des indemnités non indexées se chiffre à 1,3 milliard de dollars (le milliard restant étant couvert par le revenu de placements de 9,2 %), tandis qu'elle est de 1,7 milliard de dollars pour les indemnités indexées. Ces réserves globales nécessitent l'application d'un taux de cotisation de 2,10 \$ par tranche de 100 \$ de salaire pour couvrir les indemnités non indexées et de 2,71 \$ pour couvrir les indemnités indexées. (Ces taux ne permettent pas de récupérer la dette non provisionnée.)

Compte tenu du taux moyen de cotisation de 2,31 \$ pour 1985 (dépassant de 34 % celui de 1982) et du fait que les augmentations des

indemnités liées à l'inflation et à la rétention s'appliquent aux anciennes comme aux nouvelles lésions, il est facile de comprendre pourquoi la dette non provisionnée est passée à 5,4 milliards de dollars, soit presque 10 % de la masse salariale assurable des employeurs pour 1985.

Les actuelles de la Commission ont établi que selon le plan élaboré en 1984 prévoyant l'augmentation de 15 % des cotisations en 1985, 1986 et 1987, de nombreux groupes de taux pourraient liquider leur dette non provisionnée indexée d'ici l'an 2014, pourvu que les conditions suivantes se réalisent :

- que les niveaux des indemnités futures suivent l'inflation;
- que les taux de rétention ne dépassent pas ceux de 1985;
- que les taux d'incidence des lésions ne dépassent pas ceux de 1985;
- que la main-d'œuvre relevant de l'annexe 1 augmente d'environ 1 % par an;
- que le taux d'augmentation des salaires dépasse d'environ 1 % par an celui de l'inflation;
- que l'actif de la Commission produise un revenu de 3 % par an, déduction faite du taux d'inflation.

En conclusion, il faut cependant noter qu'en suivant ce plan, la dette non provisionnée augmentera encore considérablement pendant quelque temps. Si toutes les hypothèses qui précèdent se vérifient, cette hausse sera d'un peu plus de 300 millions de dollars en 1987. Ce n'est qu'en 2003 que la Commission enregistrera son premier excédent.

La Commission s'appuie sur la méthode de tarification par incidence pour pondérer les taux de cotisation qu'elle impose aux employeurs de l'Ontario. Depuis l'adoption de la nouvelle méthode expérimentale de tarification par incidence conçue pour le secteur forestier, la Commission utilise désormais trois systèmes de tarification par incidence pour calculer les cotisations de 51 des 109 groupes de taux.

La "Nouvelle méthode expérimentale de tarification par incidence" (NMETI), conçue pour le secteur de l'industrie forestière, est fondée sur le principe de l'autofinancement pour chaque groupe de taux étant donné que les cotisations (avec rabais ou surcharges, selon le cas) sont réparties entre les entreprises admissibles. Conformément à la NMETI, la Commission tient compte de l'ensemble des coûts d'accidents d'une entreprise au cours d'une année donnée (y compris les frais généraux) et les compare à la cotisation de cet employeur pour l'année en question. Le taux établi pour chaque employeur dépend en partie des coûts d'indemnisation antérieurs. Cette nouvelle méthode offre des avantages immédiats et directs aux employeurs qui font des efforts marqués dans les domaines de la sécurité au travail et de la réadaptation des travailleurs.

Depuis le 1^{er} janvier 1985, les cadres supérieurs de sociétés qui veulent obtenir une protection en vertu de la Loi sur les accidents du travail doivent choisir un montant de protection précis établi d'après leurs gains annuels (sous réserve d'un maximum et d'un minimum). Cette disposition permet à la Commission d'établir une base de gains équitable pour tous ceux qui choisissent une protection personnelle, y compris les propriétaires uniques, les associés, les entrepreneurs à leur compte et leur conjoint. Auparavant, la protection des cadres supérieurs était calculée d'après leurs gains réels alors que ceux faisant partie d'autres catégories pouvaient choisir le montant de leur protection.

Aux termes de la Loi sur les accidents du travail, les conjoints de propriétaires uniques, d'associés ou d'entrepreneurs à leur compte qui touchent un salaire fixe pour le travail qu'ils effectuent dans l'entreprise, sont considérés comme travailleurs depuis 1985 et sont donc admissibles à la protection. Les conjoints qui ne touchent pas de salaire fixe sont considérés comme associés et peuvent faire une demande de protection personnelle auprès de la Commission. Grâce à cette nouvelle mesure d'ordre administratif, les conjoints sont désormais traités avec équité au regard de la loi.

En tant qu'employeur soucieux de donner les mêmes chances d'emploi à tous, la Commission des accidents du travail s'est engagée à garantir l'équité au sein de son propre milieu de travail. Pour rendre justice à ce principe, le programme interne de la Commission visant à garantir les droits de la personne et des chances égales à tous a été rebaptisé le programme d'équité en matière d'emploi.

En adoptant ce principe d'équité, la Commission s'engage fermement à garantir à tous des chances égales d'emploi et d'avancement. Comme prévu de cet engagement, le nombre de femmes occupant des postes de direction ou des postes situés aux échelons supérieurs de l'administration a augmenté de 13 % en 1985. À l'heure actuelle, 41,6 % de ces postes sont occupés par des femmes.

De plus, 23 personnes atteintes d'une invalidité ont été affectées en cours d'année à des postes temporaires ou permanents. D'autre part, la Commission a facilité la tâche de 26 de ses employés en leur fournissant des aides techniques ou en modifiant leur poste de travail.

Depuis que la Loi sur les accidents du travail est entrée en vigueur en 1915, "Justice, humanité et diligence" a été la devise de la Commission. L'équité dont elle fait preuve envers ses employés et les services diligents que ceux-ci fournissent aux travailleurs et aux employeurs, de la province reflètent sans aucun doute cet engagement. Les changements majeurs qui sont survenus en 1985 montrent à quel point la Commission désire s'acquitter le mieux possible de ses responsabilités envers les travailleurs en adoptant un système d'indemnisation qui réponde bien à leurs besoins.





Un programme analogue offrant ce genre de services aux municipalités ontariennes débutera en 1986 pour une période d'essai de trois ans. Ce projet est le résultat de consultations entre l'Office d'information sur la santé et la sécurité au travail et l'Ontario Municipal Administrators Association.

En 1985, l'OISSST de concert avec ses associations membres a établi des directives et règles budgétaires. La Commission est convaincue que ces directives permettront aux associations de sécuriser d'améliorer leur gestion financière et de rationaliser le processus de révision budgétaire.

À la demande de l'OISSST, le programme de premiers soins de la Commission a fait l'objet d'une vérification au cours de l'année. Un comité interne a étudié le rapport et a fait des recommandations sur le programme et le règlement 950 (Exigences relatives aux premiers soins). En 1985, environ 25 000 travailleurs ont suivi des cours de premiers soins aux frais de la Commission. Un rapport final sera soumis au conseil d'administration pour être approuvé.

Pour rester fidèle à l'objectif de la CAT d'aider la main-d'œuvre syndiquée à développer des programmes efficaces de santé et de sécurité au travail, l'OISSST a commencé à financer en 1985 les programmes de la Fédération des travailleurs de l'Ontario. La Fédération est compta-ble de ce projet à la Commission au même titre que les associations de sécurité provinciale.

Un projet pilote destiné à aider les travailleurs perfectionner leurs techniques de recherche emploi a donné d'excellents résultats. Un projet même genre mais plus complet, "le club emploi", a également été mis à l'essai et sera évalué en 1986 pour établir s'il y a lieu de le développer.

Le service d'analyse en milieu de travail de la Commission, créé en 1984, a pris de l'ampleur en 1985. Ce service offre aux employeurs une analyse complète du milieu de travail traitant de la conception ou de la modification des lieux de travail pour répondre aux besoins des travailleurs réadaptés. Le personnel de la réadaptation professionnelle a également organisé des rencontres avec des comités paritaires patronat-syndicat dans le but de faciliter le retour au travail de travailleurs handicapés.

L'année 1985 a été la première année complète de fonctionnement de l'Office d'information sur la santé et la sécurité au travail (OISSST) de la Commission. L'un des objectifs de l'OISSST est d'étendre les services offerts aux employeurs et aux travailleurs qui ne sont pas couverts par une des neuf associations de sécurité de la province qu'il chapeaute. À cet effet, l'OISSST a travaillé de concert avec l'Ontario Municipal Water Association (OMWA) et l'Electrical Utilities Safety Association (EUSA) afin de fournir aux 130 sociétés affiliées à l'OMWA des services éducatifs sur la santé et la sécurité au travail.

Un accord a été conclu pour mettre sur pied un programme expérimental d'information sur la santé et la sécurité au travail. Ce programme commencera en 1986 et sera géré par un comité consultatif composé de sept membres, dont cinq représentants de l'OMWA, un de l'EUSA et un de l'OISSST.

En 1985, la Commission a pris des mesures importantes pour être à l'avant-garde de l'information de gestion de données. Les services d'information de gestion ont modernisé leurs principaux ordinateurs et leur logiciel en remplaçant notamment le CPU 3081D par le dernier modèle d'IBM, le 3090/200. Un réseau de communication perfectionné réduira ainsi le temps de réponse et permettra de résoudre les erreurs de système plus rapidement. Ces mesures se traduiront par de meilleurs services aux travailleurs et aux employeurs de la province.

La Commission standardise actuellement son matériel de traitement de données et de bureau-tique ainsi que ses ordinateurs personnels de façon que le logiciel puisse s'adapter aux divers systèmes informatisés et que les données puissent être transmises d'un système à l'autre. En 1985, l'une des initiatives importantes de la Commission a été d'installer 236 postes de travail Wang. Ces postes sont reliés entre eux ainsi qu'à l'ordinateur central de traitement des données IBM. Ainsi, l'informatique permet de réduire le nombre de documents en circulation et de faciliter la communication, ce qui permet de prendre des décisions plus rapidement.



Les services d'indemnisation de la Commission ont développé des directives et des règlements pour l'évaluation des demandes d'indemnités conformément à la Loi des accidents du travail modifiée et ont collaboré à la création d'un nouveau système informatisé pour répondre à ces changements. Un programme de formation complet, comme dans tous les services de la Commission, a été mis sur pied de façon à familiariser le personnel avec tous les aspects de la Loi et ses effets sur la politique interne de la Commission. Des cours de formation ont été organisés selon un horaire précis de façon à minimiser l'interruption des services.

En 1985, le personnel de la Commission par tout en Ontario a consacré beaucoup d'efforts à la mise en place des changements prévus par les Lois 101, 32 et 81, sans pour autant délaisser ses activités habituelles. La charge de travail des employés s'est considérablement accrue étant donné que le volume des demandes d'indemnités a augmenté de 9,8 % par rapport à 1984 et que les nouvelles demandes sont passées à 426 880. En outre, la Commission a introduit de nombreux services dans divers secteurs.

Les bureaux régionaux de Sudbury et de London jouissent à présent d'une plus grande autonomie en matière d'indemnisation. En effet, aux termes de la Loi 101, ces bureaux ont, depuis le 1^{er} octobre 1985, l'autorité voulue pour communiquer toute décision définitive rendue par l'un de leurs agents d'indemnisation. À la suite d'une étude de faisabilité achevée en 1986, ces deux bureaux auront pouvoir de décision sur les pensions, à partir de 1986.

La technologie informatique a également contribué au développement des services médicaux de la Commission. Ainsi, au Centre de réadaptation de Downsview, on a conçu en 1985 un système informatisé pour faciliter l'évaluation psychologique des travailleurs blessés. Ce système a été accueilli favorablement tant par les patients que par les membres du personnel. L'informatique appliquée aux divers tests couramment utilisés dans le traitement des patients a permis de les perfectionner, d'en administrer davantage et de les faire accepter plus facilement par les patients. Par ailleurs, un système informatisé de notation de mouvement, servant à l'étude de la démarche humaine, est à la base de plusieurs projets de recherche qui se déroulent actuellement au Centre.

Un programme destiné à admettre les patients au Centre de réadaptation de Downsview le plus tôt possible a été mis sur pied. Ce programme vise à faire bénéficier des services de réadaptation physique et professionnelle les travailleurs blessés qui ont besoin de suivre un traitement. Ce programme est appliqué dans les six mois qui suivent l'accident, facilitant ainsi le prompt rétablissement des travailleurs et leur réintégration rapide sur le marché du travail.

Les services de réadaptation professionnelle ont eux aussi fait l'objet de nombreux changements en 1985. Un nouveau service a été créé pour répondre aux objectifs de la Commission, à savoir l'élaboration d'une politique de réadaptation professionnelle, la création de programmes d'évaluation, la formation du personnel et la recherche. Un système informatisé de réadaptation a été développé afin de faciliter la recherche et la planification.



À la fin de l'année, la Commission avait reçu près de 25 000 demandes de renseignements au sujet des divers aspects de la Loi 101 et avait envoyé plus de 75 000 documents d'information. Divers membres du personnel ont participé par tout en Ontario à des centaines de conférences sur la Loi 101.

En outre, les postes à la Commission qui demandent des connaissances dans les deux langues ont été identifiés et sont comblés petit à petit par du personnel bilingue de façon à offrir des services en anglais et en français. Un programme d'enseignement du français a été créé pour les employés, les cours devant commencer en 1986.

Le bureau a immédiatement entrepris la traduction de nombreux documents. 1 082 formulaires et 24 brochures sont disponibles en français et le bureau continue de lement. 1 082 formulaires et 24 brochures sont recevoir leur correspondance en français. Actuellement les lettres aux clients qui ont demandé de brochures et traduit maintenant systématiquement de nombreux formulaires et de diverses

Le comité des normes en matière de maladies professionnelles est présidé par le docteur James Ham, ses membres, neuf au maximum, sont nommés par le lieutenant-gouverneur en conseil et proviennent des milieux techniques, scientifiques et professionnels ainsi que du grand public. Conformément à la Loi sur les acci- dents du travail, le comité a pour mandat de faire des recherches sur les maladies professionnelles et d'établir les rapports possibles éventuelles et certains procédés industriels. D'autre part, le comité a pour mission d'étudier les critères d'évaluation et d'indemnisation et de faire des recommandations. Les conclusions et recommandations du comité seront rendues publiques avant que la Commission prenne des mesures quelconques. Ce processus de consultation permettra à la Commission de tenir compte de l'opinion publique et de bénéficier de l'expertise médicale et technique la meilleure pour identifier les maladies professionnelles et établir des politiques et règlements en matière d'indemnisation. Une autre disposition de la Loi 101 dont les conséquences sont très importantes touche les services en français. Dans les cas appropriés, la Commission est en effet tenue de fournir des services en français en vertu de la Loi. C'est ainsi que la Commission des accidents du travail a ouvert un bureau de traduction en mai 1985.

La Loi 101 est également à l'origine d'autres changements administratifs. Ainsi, depuis le 1^{er} octobre 1985, le Bureau des conseillers des travailleurs a été agrandi et ne relève plus de la Commission des accidents du travail mais du ministère du Travail. Un Bureau des conseillers du patronat a également été créé et fonctionne indépendamment de la Commission. Enfin, un comité de normes en matière de maladies professionnelles a été mis sur pied pour faire des recherches et conseiller la Commission sur l'indemnisation des travailleurs de la province dans les cas de maladies professionnelles. Si la contestation porte sur une décision refusant l'allocation d'indemnités dans le cas d'un nouveau dossier ou d'un dossier ouvert, ou refusant la capitalisation d'une pension, le spécialiste de la révision peut soit renverser la décision consentir à la demande, soit transmettre le dossier à la direction des audiences pour qu'une audience soit tenue dans les plus brefs délais. Si les contestations des décisions des spécialistes de la révision sont également transmises à la section des audiences. Toute décision rendue par un commissaire d'audience peut faire l'objet d'une contestation auprès du Tribunal d'appel des accidents du travail. Grâce à ce processus complet, toutes les contestations sont traitées avec équité.

L'année 1985 a marqué un tournant important pour le système d'indemnisation des travailleurs de l'Ontario qui se trouve considérablement renforcé à la suite de trois lois adoptées par le corps législatif.

La Loi 101, modifiant la Loi sur les accidents du travail, a reçu la sanction royale à la fin de 1984 et est entrée en vigueur en 1985. Cette loi a entraîné une série de changements substantiels dans les indemnités versées aux travailleurs et à leur famille et dans la structure administrative de la Commission des accidents du travail de l'Ontario. La Loi 32 prévoit l'augmentation des prestations versées aux survivants des travailleurs décédés le 30 juin 1985 ou avant. Enfin, avec la Loi 81, adoptée en décembre 1985, les gains moyens sont indexés annuellement à partir du 1^{er} janvier 1986.

La Commission des accidents du travail a consacré beaucoup de temps et d'efforts au cours de l'année pour introduire le plus efficacement possible ces changements majeurs. La Loi 101, en particulier, qui a modifié le plus radicalement le système d'indemnisation des travailleurs depuis l'entrée en vigueur de la Loi sur les accidents du travail en 1915, a nécessité beaucoup d'efforts de la Commission.

Avec la Loi 101, la protection et les indemnités ont été rajustées pour les maladies professionnelles ou les accidents du travail qui se sont produits le 1^{er} avril 1985 ou après :

- le plafond des gains assurables est passé de 26 800 \$ à 31 500 \$;
- les domestiques ont désormais le droit d'être couverts en vertu de la Loi sur les accidents du travail;
- les employeurs sont tenus de payer le salaire et les indemnités du travailleur pour le jour de l'accident;
- le calcul des indemnités d'invalidité temporaire et permanente est basé maintenant sur 90 % des gains moyens nets alors qu'il était basé sur 75 % des gains bruts;
- un système d'indemnisation binaire pour les survivants a été institué, comprenant un paiement forfaitaire et des versements réguliers

- les conjoints survivants peuvent désormais bénéficier des mêmes services d'orientation et de réadaptation que ceux offerts aux travailleurs.

— J. L. BÉGIN

En plus de ces changements, la Loi 101 a également modifié la structure administrative du système d'indemnisation en Ontario. Depuis le 1^{er} octobre 1985, l'orientation des activités de la Commission des accidents du travail est déterminée par un nouveau conseil d'administration composé d'un président et d'un vice-président à temps plein, de neuf administrateurs à temps partiel qui viennent de l'extérieur et d'un membre de droit.

D^r Robert G. Elgie, président de la Commission des accidents du travail, et Alan G. MacDonald, vice-président de l'administration et gestionnaire général, sont respectivement président et vice-président du conseil d'administration. Les administrateurs ont été nommés par le lieutenant-gouverneur en conseil et représentent les divers secteurs intéressés à savoir les travailleurs, le patronat, les professionnels et le public. Le membre de droit, S.R. Ellis, est également président du nouveau tribunal d'appel au service de l'indemnisation des travailleurs.

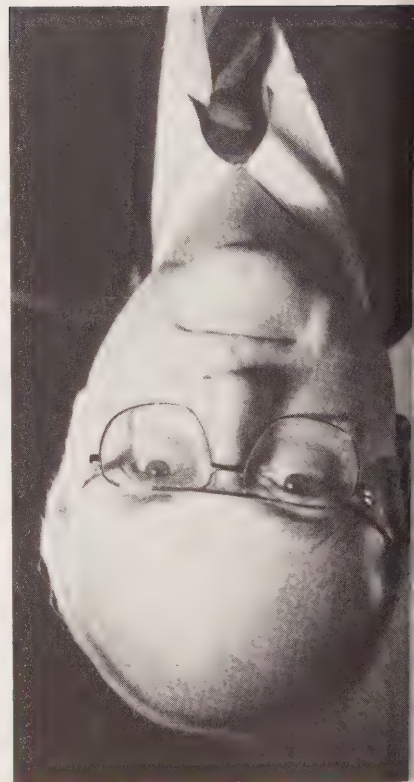
Le conseil d'administration a pour mandat de rendre compte à ces divers groupes de la politique interne, des activités et des préoccupations de la Commission. Il est, d'autre part, chargé d'élaborer des directives touchant aux cotisations ainsi que d'examiner et d'approuver les budgets d'exploitation et de dépenses en capital annuels. Il est également tenu d'approuver les changements importants apportés aux programmes de la Commission et de conseiller le gouvernement de l'Ontario dans l'élaboration de la politique sociale concernant l'indemnisation des travailleurs.



Depuis le 1^{er} octobre 1985, un tribunal d'appel externe, tripartite et indépendant, soit le Tribunal externe, tripartite et indépendant, constitue la dernière instance pour contester une décision de la Commission. D'autre part, le processus interne de révision des décisions de la Commission a été modifié pour se conformer à ce changement et continuer à offrir un système de révision efficace aux travailleurs et aux employeurs.

Quiconque estime être lésé par une décision de la Commission peut en tout temps contester cette décision. Depuis le 1^{er} octobre 1985, les contestations sont transmises au service d'ouïe émane la décision et un conseiller, un agent d'indemnisation ou un coordonnateur peut modifier la décision.

Si les preuves à l'appui de la contestation sont jugées insuffisantes, le dossier est soumis à la direction de la révision des décisions de la nouvelle division des services de révision. À ce niveau, un spécialiste de la révision des décisions prend connaissance de la contestation et des faits pertinents, mène au besoin une enquête et communique éventuellement avec les parties en cause avant de rendre sa décision.



Je suis entré en fonction comme président un peu avant le dernier trimestre de 1985. Il convient donc que je remercie en premier lieu mon prédécesseur, l'honorable Lincoln M. Alexander, C.P., C.R., qui a été à la tête de la Commission des accidents du travail pendant la majeure partie de 1985 et au cours des quatre années précédentes.

M. Alexander a laissé dans la mémoire des travailleurs et des employeurs le souvenir d'un homme d'une grande humanité, et dans celle du personnel de la Commission, celui d'un porteparole résolu et d'un leader engagé. C'est donc pour moi un grand honneur que de lui avoir succédé.

La dernière année du mandat de M. Alexander à la Commission, pour moi la première, a été sans précédent en raison de l'ampleur des modifications apportées au système d'indemnisation de l'Ontario et des efforts exceptionnels qu'a dû fournir le personnel de la Commission. Nous avons préparé la voie pour l'implantation d'un système d'indemnisation encore plus équitable et humanitaire, un système qui réponde aux besoins légitimes des travailleurs et qui soit financièrement viable.

Je suis persuadé qu'une ère nouvelle se prépare pour l'indemnisation des travailleurs en Ontario, grâce à un nouveau conseil d'administration constitué en 1985 pour diriger la Commission des accidents du travail. Ses membres, qui représentent à la fois les employeurs, les travailleurs, les professionnels et le reste du public, ont pour mission de veiller à ce que ceux qu'ils représentent aient la possibilité de participer à l'élaboration des règles et directives touchant à l'indemnisation des travailleurs.

Je suis donc très fier de travailler en étroite collaboration avec les hommes et les femmes nommés par le lieutenant-gouverneur en conseil. Messieurs et Mesdames Charles Clark, Clara de Carvalho, Gérard Docquier, Joseph Duffy, Stephen Hessian, Elizabeth Kaegi, Silvia Mecozzi Douglas Peters, Robert Stanbury et enfin S.R. Ellis, membre de droit. Je suis certain qu'avec de tels collaborateurs, la Commission pourra élaborer un programme d'indemnisation équitable et financièrement viable unique au monde.

Robert M. Ellis

Dr Robert G. Elgie, C.R.,
Président de la Commission des accidents du travail

1985 1984
en milliers de \$

Masse salariale sur laquelle les cotisations sont basées 52 228 000 \$ 48 435 000 \$
Incidents déclarés comme lésions professionnelles 426 880 388 845

ANNEXE 1 DE LA LOI - INDEMNITÉS PAYÉES
CONFORMÉMENT À L'ANNEXE 1

Aide médicale payée 137 568 \$ 117 579 \$
Indemnités payées 512 951 465 624
Régénération payée 23 597 21 045
Pensions payées (Sommes accordées en 1985 - 314 480 \$; en 1984 - 308 296 \$) 308 538 271 184

INDEMNISATION DES VICTIMES DE LA SILICOSE

Aide médicale payée 81 \$ 52 \$
Indemnités payées 84 38
Régénération payée 3 805 3 832
Pensions payées (Sommes accordées en 1985 - 427 \$; en 1984 - 461 \$) 3 970 \$ 3 922 \$

Total 986 624 \$ 879 354 \$
Provision pour l'augmentation de la valeur actuelle des paiements futurs aux requérants actuels 1 130 000 \$ 1 040 000 \$
Total des indemnités conformément à l'annexe 1 de la Loi 2 116 624 \$ 1 919 354 \$

ANNEXE 2 DE LA LOI SUR LES ACCIDENTS DU TRAVAIL ET DE LA LOI RÉGISSANT
L'INDEMNISATION DES EMPLOYÉS DU GOUVERNEMENT FÉDÉRAL, INDEMNITÉS PAYÉES
CONFORMÉMENT À L'ANNEXE 2

Aide médicale payée 14 137 \$ 12 334 \$
Indemnités payées 34 373 31 189
Régénération payée 1 305 1 129
Pensions payées 34 416 30 210

Indemnités payées directement par les employeurs relevant de l'annexe 2 26 350 \$ 24 395 \$
Total des indemnités payées conformément à l'annexe 2 110 581 \$ 99 257 \$

TOTAL DES INDEMNITÉS - ANNEXES 1 ET 2

Total des sommes payées (à l'exclusion de la provision prévue pour l'augmentation précitée) 1 097 205 \$ 978 611 \$
Provision pour l'augmentation de la valeur actuelle des paiements futurs aux requérants actuels 1 130 000 \$ 1 040 000 \$
Total des sommes payées et de la réserve prévue pour l'augmentation précitée 2 227 205 \$ 2 018 611 \$

* Masse salariale estimative rajustée

La Commission des accidents du travail, fondée en 1915 comme organisme indépendant, est chargée de l'administration de la Loi sur les accidents du travail de l'Ontario et de ses règlements. La Commission prélève auprès des employeurs de la province les fonds nécessaires au versement des indemnités des travailleurs blessés au travail ou atteints d'une maladie professionnelle.

L'indemnisation couvre les frais médicaux, les indemnités pour perte de salaire en cas d'accident ou de maladie, les pensions d'invalidité permanente et les prestations de décès aux survivants à charge; elle assume également le coût des nombreux services offerts en réadaptation professionnelle et fonctionnelle.

De plus, la Commission parraine un grand nombre d'activités pour la prévention des accidents et elle finance neuf associations provinciales de sécurité.

TABLE DES MATIÈRES

| | |
|--------------------------|----|
| Sommaire des activités | 1 |
| Message du président | 3 |
| Faits marquants | 4 |
| Dettes non provisionnées | 9 |
| Données et chiffres | 10 |
| Etats financiers | 25 |

L'honorable Robert C. Elgie, président, M.D., C.R.
l'exercice de 1985.

L'honorable Lincoln M. Alexander, lieutenant-gouverneur de l'Ontario, C.P., C. St. J., C.R., B.A., LL.D.
La Commission des accidents du travail a le plaisir de présenter son rapport annuel pour



Workers' Compensation Board
Commission des accidents du travail

2, rue Bloor est
Toronto, Ontario
M4W 3C1

Rapport
annuel
1985



CA 20N
L90
-A56 cop 2

WORKERS'
COMPENSATION
BOARD



ANNUAL
REPORT

1986

The Workers' Compensation Board, established as an independent board in 1915, is responsible for administering the Workers' Compensation Act and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment of health care expenses, payment for loss of wages that may result from the injury or disease, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a wide variety of accident prevention activities and funds the 10 delivery agencies.

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1986.

Robert G. Elgie, M.D., Q.C., Chairman

CONTENTS

| | |
|--|----|
| Summary of Operations | 1 |
| Chairman's Message | 2 |
| Report from the President | 3 |
| Client Services Division | 4 |
| Policy and Specialized Services Division | 6 |
| Corporate Services Division | 8 |
| Facts and Figures | 10 |
| Financial Statements | 20 |

Si vous désirez obtenir un exemplaire du Rapport annuel de 1986 en français, veuillez vous adresser à la Commission des accidents du travail, Service des communications, au 2, rue Bloor Est, Toronto (Ontario), M4W 3C3. Téléphone : (416) 927-3500.



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

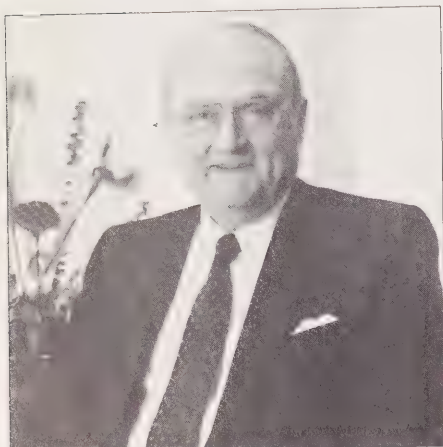
WORKERS' COMPENSATION BOARD — SUMMARY OF OPERATIONS

Year Ended December 31, 1986

| | 1986 | (5000's) | 1985 |
|--|---------------|----------|---------------|
| Payroll upon which assessment revenue was based | *\$58,611,000 | | *\$52,228,000 |
| Incidents reported as work injuries | 442,080 | | 426,880 |
| SCHEDULE 1 OF THE ACT | | | |
| SCHEDULE 1 BENEFITS PAID | | | |
| Health care paid | \$ 148,125 | \$ | 138,889 |
| Compensation paid | 584,725 | | 512,951 |
| Rehabilitation paid | 29,959 | | 23,597 |
| Pensions paid (Awarded 1986 – \$364,233; 1985 – \$314,480) | 355,807 | | 308,396 |
| | \$ 1,118,616 | \$ | 983,833 |
| SILICOSIS BENEFITS | | | |
| Health care paid | \$ 128 | \$ | 81 |
| Compensation paid | 212 | | 84 |
| Rehabilitation paid | — | | — |
| Pensions paid (Awarded 1986 – \$653; 1985 – \$427) | 4,051 | | 3,947 |
| | \$ 4,391 | \$ | 4,112 |
| Total | \$ 1,123,007 | \$ | 987,945 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,304,000 | | 1,130,000 |
| Total benefits under Schedule 1 of the Act | \$ 2,427,007 | \$ | 2,117,945 |
| SCHEDULE 2 OF THE WORKERS' COMPENSATION ACT AND FEDERAL GOVERNMENT EMPLOYEES COMPENSATION ACT | | | |
| SCHEDULE 2 BENEFITS PAID | | | |
| Health care paid | \$ 15,027 | \$ | 14,137 |
| Compensation paid | 41,596 | | 34,373 |
| Rehabilitation paid | 1,674 | | 1,305 |
| Pensions paid | 39,780 | | 34,416 |
| | \$ 98,077 | \$ | 84,231 |
| Compensation paid directly by Schedule 2 employers | 25,185 | | 26,350 |
| Total benefits paid under Schedule 2 | \$ 123,262 | \$ | 110,581 |
| TOTAL BENEFITS – SCHEDULES 1 AND 2 | | | |
| Total payments (exclusive of provision for increase above) | \$ 1,246,269 | \$ | 1,098,526 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,304,000 | | 1,130,000 |
| Total payments and provision for increase | \$ 2,550,269 | \$ | 2,228,526 |

*Estimated adjusted payroll

CHAIRMAN'S MESSAGE



Robert G. Elgie, M.D., Q.C.

It is with great pleasure that I report on a year of significant achievement at the Workers' Compensation Board.

The year 1986 has been an exciting one on many fronts. The Board introduced its plan of full-scale reorganization into three service groups, to mark the beginning of a new era in integrated services for our clients.

With my first full year of tenure as chairman now behind me, I can report that it has been a privilege to work alongside the other members of our executive team in initiating our corporate changes and in forging more lasting links with the community. We have been most fortunate to have secured the services of our new vice-chairman of administration and president, Mr. Alan D. Wolfson. A noted economist and scholar, Mr. Wolfson's wealth of experience in government, labour and health policy has proven to be an invaluable asset to all of us at the Board.

As chairman, it has also been my pleasure to have worked throughout the year with our new Board of Directors — men and women representative of employers, workers, professionals and the public in Ontario.

I was deeply saddened, however, by the death of one of the Board's Directors, Mr. Charles (Bud) Clark, in late 1986.

Mr. Clark had served on the Board as a representative of labour since its creation in October 1985. Mr. Donald William Holder, vice-president, Region III of the Canadian Paperworkers Union, joins the Board of Directors as a representative of workers, effective January 28, 1987.

Over the course of 1986, the Board addressed a number of important issues affecting injured workers, employers, and the management of the Workers' Compensation Board. It also dealt with issues of particular interest to other groups and individuals, with the common aim of enhancing service to our clients.

In the next year, the Workers' Compensation Board will build on the considerable gains we have made during 1986. I have no doubt that this reorganization and its spirit of renewal will unite all staff in the common goal of further developing and fine-tuning our integrated service delivery, so that we will continue to serve our clients — Ontario's workers and employers — with distinction.

Robert G. Elgie, M.D., Q.C.
Chairman



Alan D. Wolfson

The Workers' Compensation Board has been providing Ontario's injured workers and employers with an efficient and responsive system of compensation for 72 years.

In 1986, the Board underwent substantial changes, with the development of a new approach which will integrate our operations and upgrade the quality of our services to our clients across the province.

Early in June, the WCB's Board of Directors approved the introduction of a full-scale reorganization of the Board into three integrated service groups, to replace the more segmented divisional structure which had been in place for many years. The new structure of three divisions — Client Services, Policy and Specialized Services, and Corporate Services — will transform the Board into a more efficient, accessible and fiscally responsible service agency in the years ahead.

Our new approach is one of greater co-operation, co-ordination and teamwork, and a style of leadership which I feel is appropriate to the goals and objectives of our reorganization.

The Board of Directors also approved the creation of the Strategic Planning and Analysis Department, comprising two branches — Office of the General Counsel and Strategic Planning — both reporting to the president.

A major responsibility of the General Counsel's office is to review Workers' Compensation Appeals Tribunal decisions, to identify legal or policy issues for consideration by the Policy and Specialized Services Division, and to make recommendations to the chairman with respect to the Tribunal's interpretation of the policy and general law of the Workers' Compensation Act. It also serves as a source of legal advice to senior management and to our operating areas on matters of general law and policy.

The Strategic Planning Branch will carry out projects involving in-depth analysis of economic and policy issues currently facing the Board, such as the creation and implementation of our new experience rating program.

The three vice-presidents and the executive director of the Strategic Planning and Analysis Department join me as members of the Executive Committee, which deals with key operational issues facing the Board.

In tandem with our reorganization, the Board of Directors approved a number of initiatives to upgrade our services to workers and employers. In 1986, the Board opened regional offices in Hamilton and Thunder Bay, with another to follow in Ottawa in May of 1987, providing more effective and responsive service to the community. Furthermore, a new prototype regional office will be opened in Windsor in early 1988.

In the fall of 1986, the Board of Directors also approved assessment rates for the following year. In its 1985 Annual Report, the Workers' Compensation Board reported on a strategy to increase these rates by a maximum of 15 per cent per year for a three-year period, in order to reach an assessment level which could retire the Board's unfunded liability over an amortization period of 30 years. The 1987 assessment rates represent the third year of that strategy, with an average rate of \$2.88 per \$100 of assessable payroll — an increase of 8.7 per cent over the 1986 average rate — and with an increase limited to 14 per cent for any one rate group.

A modification of this strategy was introduced in order to recognize employers whose experience warrants a reduced rate of assessment. As a result, 17 rate groups which have been particularly successful in reducing accident rates or claims duration are experiencing a downward adjustment in their rates for 1987.

In addition, approval was given to set the net discount rate, which is used to value the Board's published liabilities, on a long-term basis. The Board of Directors adopted a figure of three per cent as appropriate for this purpose, given current prevailing economic conditions, and the higher earning potential of the Board's Accident Fund as a result of changes in our investment powers contained in Bill 101.

The services of The Coopers & Lybrand Consulting Group were retained by the Board in October of 1986 to conduct a thorough review of the programs in our third new division — Corporate Services — in order to ensure that its operating areas are providing the support needed by the other two divisions in the most effective and efficient manner. The review will also include the Board's Review Services, our internal system of appeal, and the Internal Audit Branch.

The year 1986 has been one of memorable achievement for the Workers' Compensation Board. In my first year as its president, I believe we have demonstrated and will continue to demonstrate our commitment to our clients by providing a quality, cost-effective service.

In the year ahead, we will make further strides as an integrated service agency, with improved policies and programs for our clients, in order to uphold the long tradition of a compassionate and progressive workers' compensation system for Ontario.

*Alan D. Wolfson
Vice-Chairman of Administration
and President*

CLIENT SERVICES DIVISION



*Robert D. Reilly
Vice-President, Client Services Division*

The Client Services Division was established in 1986 with the reorganization of the Workers' Compensation Board. It was designed to facilitate the integration of claims, medical and vocational rehabilitation services at our Toronto head office and in our regional offices. When the new structure is fully operational, we will be able to provide more efficient, personalized and responsive service with respect to claims adjudication, vocational rehabilitation and related client inquiries.

In 1986, Client Services was comprised of three separate functional units — Claims, Vocational Rehabilitation, and Regional Operations and Area Offices — which operated independently of one another.

In July, an internal task force was appointed to develop recommendations for the implementation of a new structure in Client Services — specifically, the num-

ber, size, type and organization of service delivery units; descriptions of key staff positions; and a plan for transition to the delivery of integrated services. With six project teams, composed of staff volunteers from various areas of the Board, the task force conducted its investigations over a period of three months.

The year 1986 was also one of important regional initiatives. In addition to existing regional offices in London and Sudbury, the Board of Directors approved a proposal to establish full regional services in Hamilton, Thunder Bay and Ottawa, and to reduce the active caseloads of claims adjudicators throughout our organization.

With the opening of the Hamilton regional office in November, clients in the regional municipalities of Halton, Hamilton-Wentworth, Haldimand-Norfolk, Niagara, and the County of Brant are now able to take full advantage of the Board's services in their local community. These

include registration of claims; adjudication of accident claims and disability pensions; authorization of compensation payments; processing of health care accounts; in-house medical examinations; vocational rehabilitation services; as well as classification, collection and counselling services for employers.

In December, the Board opened its fourth regional office in Thunder Bay, serving the people of Northwestern Ontario, including the districts of Thunder Bay, Rainy River and Kenora, with a similar range of services. The Board's fifth regional office will be opened in Ottawa in May 1987.

With the transfer of claims to the regional offices, the Board also took further steps to reduce the number handled by individual claims adjudicators, in order to provide more efficient and personalized service to our clients. Of the 442,080 new claims filed with the Board in 1986, the Hamilton office processed 13,143 of these in its first two months of operation, while the Thunder Bay office, which became fully operational in early 1987, handled 2,093.

Claims Services at the Board's head office assisted in this transition with the loan of adjudication, payment preparation and records control staff to the Hamilton regional office, while staff from the Sudbury regional office helped out in Thunder Bay. Training and support staff were also provided for the introduction of decentralized pensions adjudication in the London, Sudbury and Hamilton regional offices.

Additional automated services were introduced at head office for the annual indexing of compensation and pension payments, and for calculating permanent disability arrears and lump sum awards. New procedures were also developed to screen incoming mail for redirection to the appropriate regional office.

The Board's Vocational Rehabilitation Services improved its performance in returning injured workers to employment in 1986. Vocational rehabilitation staff were instrumental in rehabilitating 5,945 injured workers during the year, an increase of 6.5 per cent over 1985. Of these, 5,151 workers were returned to work with the

accident employer, a new employer or became self-employed, while the remaining 794 were assisted in achieving financial self-sufficiency.

Initiatives taken to improve vocational rehabilitation services included a quality monitoring program for the uniform application of policy and administrative guidelines, further exploration of program evaluation and development methods, and continuing vocational rehabilitation research. A "Job Club" was established at the Board's Downsview Rehabilitation Centre to help injured workers and surviving spouses develop the necessary skills to seek employment.

The worksite analysis service — which provides expert advice to employers on the design or redesign of the workplace to accommodate rehabilitated workers — was expanded in 1986. A total of 147 employer and other client-related requests were received, a 75 per cent increase over 1985.

The employment services section conducted a total of 14 employment campaigns across the province during the year to promote the hiring of rehabilitated workers in local communities. In September, the program was expanded to include a campaign to locate jobs for injured workers in the construction industry.

Vocational rehabilitation staff across Ontario also became active in local advisory councils established by the Canada Employment and Immigration Commission. These councils provide staff with an opportunity to promote the services of the Board to our clients and the general public, and to campaign for hiring injured workers in their local communities.

In the course of 1986, the Client Services Division embraced a new structure and new direction in the delivery of services. In the year ahead, these changes will be consolidated, with an even greater commitment to first-class service and to prompt, personalized response to the special needs of our clients — the workers and employers of Ontario.



*Dr. Elizabeth A. Kaegi
Vice-President, Policy and Specialized
Services Division*

The Policy and Specialized Services Division was created in 1986 to provide the Board with a mechanism for the development of co-ordinated and integrated policies and programs, and a wide range of specialized medical and vocational rehabilitation services. It is also responsible, through the Occupational Health and Safety Education Authority, for the delivery of health and safety education.

In July, an internal task force was set up to determine the functions of this new division. Its responsibilities were to propose a framework for the creation of operational policies and programs that are integrated and easily understood, and to develop a cost-effective approach to the provision of its specialized services.

At the invitation of the vice-president, a cross-section of Board staff participated on six project teams, and a final task force report was submitted to the December 1986 meeting of the Board of Directors, which approved its recommendations.

When it is fully in place, the structure of the Policy and Specialized Services Division will be comprised of six departments, each reporting to the vice-president.

They are:

- The Occupational Health and Safety Education Authority
- The Downsview Rehabilitation Centre
- Specialized Medical Services
- Specialized Vocational Rehabilitation Services
- Policy and Program Development
- Occupational Disease Department

The Occupational Health and Safety Education Authority (OHSEA) continues to be the arm of the Board responsible for the administration of its occupational health and safety education policies and programs. One of its aims is to extend services to workers and employers not already covered by one of the 10 delivery agencies it oversees.

The first year of a two-year experimental program undertaken by the OHSEA, in conjunction with the Electrical Utilities Safety Association, was completed in 1986. Its purpose is to provide occupational health

and safety education services to the 135 member firms of the Ontario Municipal Water Association. In addition, a three-year experimental program to serve municipalities throughout Ontario commenced during the year.

The year 1986 marked the first full year of funding by the OHSEA for the Ontario Workers' Safety and Health Centre, which delivers safety and health education programs to Ontario labour. The OHSEA also co-ordinated the development and delivery of a training program on the administration and enforcement of designated substance regulations, for Occupational Health and Safety Division inspectors at the Ministry of Labour.

In addition, an estimated 35,000 workers were trained in first aid through the first aid training program funded by the Board, a 40 per cent increase over 1985.

The OHSEA, in conjunction with the Joint Policy Review Board, also worked with the delivery agencies to develop a strategy for the planning and evaluation of programs provided by these agencies and funded by the Board. As a result, the Board approved a planning and evaluation system study, which consists of two phases.

The first phase, which commenced in 1986, is designed to provide clear direction in terms of priorities, roles and responsibilities in the delivery of occupational health and safety education programs across the province. The second phase will work towards a planning and evaluation program which will be used annually to ensure that comprehensive, efficient and cost-effective health and safety education is provided in the workplace. The first phase of the study is scheduled for completion by the end of June 1987.

The Board's Downsview Rehabilitation Centre remains committed to helping injured workers return to work through its evaluation, treatment and rehabilitation services. Caseloads remained very high through most of 1986, with the continuation of the Early Admission Program initiated the previous year. These were gradually

reduced from July of 1986, however, to allow for more comprehensive and personalized patient care. In addition, as of December, adjudication and entitlement decisions ceased to be made at the Centre.

A total of 13,522 patients were admitted to the Centre during the year, a decrease of 4.2 per cent from 1985. Some 8,702 patients underwent the full program of treatment, for an average duration of 19.9 days, compared with 18.9 days the previous year. Of these, 83.7 per cent were declared medically fit to return to employment.

In the latter half of 1986, the Board initiated discussions with respect to the provision of medical rehabilitation services for injured workers in 15 local communities across the province.

Towards the end of the year, the Board set up a three-member team of inquiry to investigate allegations of improper delivery of programs and patient misconduct at the Centre. Their report was submitted to Board Chairman Dr. Robert Elgie and the Minister of Labour, the Honourable William Wrye, and recommended that some changes to the present system be made. The Minister subsequently appointed a five-member review team to conduct a general review of the Centre, including its administration, programs, and systems in place to protect patients' rights.

In November, the Centre played host to Ontario's medical community on the third annual Clinical Day, with a presentation of its notable achievements in research, its facilities and its services. The Centre's research committee continued to promote and direct research activities in 1986, with the aim of developing innovative techniques tailored to the special medical and rehabilitation needs of injured workers.

Co-ordinated policy development was also introduced at the Board in 1986, including approval in principle of a structure for the Policy and Specialized Services Division. An interim policy unit was established in October as a forerunner to the Policy and Program Development component set to follow in 1987.

The unit has served to provide interim policy initiatives and planning and resource support for current developments, as well as guidelines for policy research projects. These activities have bridged the gap between service in existing areas and service under the new structure by addressing current policy development needs on an ad hoc basis, and have laid the groundwork for the new operational structure, due for start up in 1987.

The Board continued to demonstrate its commitment to research and policy development in the area of industrial disease. In 1986, several important issues were referred to the recently created Industrial Disease Standards Panel, an independent agency appointed by the Lieutenant-Governor-in-Council. These include the effects of exposure to uranium on workers, the role of PCBs as a human carcinogen, and the concept of the so-called healthy worker effect. In addition, the Board sought advice on guidelines for the adjudication of cancer claims among gold and mixed ore miners.

A report published by Dr. Jan Muller in 1986 linked work in Ontario gold mines to the development of certain types of cancer. In light of advice from the Industrial Disease Standards Panel that its recommendations with respect to gold miners would be delayed, the Board appointed a team of scientific advisers, under Dr. Anthony Miller, to investigate the Muller Report's findings and make recommendations.

The Policy and Specialized Services Division will provide a framework for the development of Board policies, programs and specialized services which are integrated, current and consistent. With this strong foundation, and through regular communication with the Board's client groups, our commitment will be realized in the year ahead.



*Sam Van Cleeaf
Acting Vice-President, Corporate
Services Division*

he Corporate Services Division provides the support services essential to the smooth operation of the Client Services and Policy and Specialized Services Divisions.

In late 1986, the Board retained The Coopers & Lybrand Consulting Group to conduct a thorough review of the functions, programs and services in the Corporate Services departments — Financial Services, Communications, Management Information Services, Human Resources, Employment Equity, the Investment Fund, Actuarial and Statistical Services, and Legal Services. Their report will be submitted in mid-1987.

The number of employers covered under Schedule 1 of the Workers' Compensation Act rose in 1986 by 5 per cent, to 187,000 from 178,000 in 1985. With an increase in the average rate of assessment to \$2.65 per \$100 of assessable payroll, assessment income rose to \$1.63 billion, up 22.6 per cent over the previous year. Other factors contributing to this increase included growth in the assessable payroll base through an expanded work force and the rate of inflation.

The Board prepared an employer assessment policy manual in 1986, which assists firms in understanding their rights and responsibilities under the Workers' Compensation Act. The manual consists of a summary of policies and guidelines for dealing with the Board, and is available for purchase at a nominal charge.

Experience rating continues to be available to employer rate groups as a financial incentive to adopt effective accident prevention measures, and to achieve a more equitable distribution of assessment premiums to individual employers, through a closer relation to actual claims experience. At the close of 1986, a total of 53 rate groups were enrolled in one of three experience rating plans, including the New Experimental Experience Rating (NEER) plan.

The Board kept employers informed of the plans' operations, as well as other financial principles of the compensation system, through a series of presentations and information sessions.

The Board continued to expand its services in French in 1986, in anticipation of the November passage of Bill 8, An Act to provide for French Language Services in the Government of Ontario. Direct service in French was enhanced through in-house training courses for employees in bilingual positions, which rose to 220 in 1986 from 144 the previous year. In large part, this expansion was due to increased demand for service in the French language, in conjunction with the opening of new regional offices.

The Board's French Translation Bureau, established in May 1985, made further progress in 1986. The bureau handled more than 12,000 pages of translation, including medical reports, correspondence, information brochures, manuals, and the annual report. Translators also worked on the preparation of a WCB bilingual lexicon for internal use by bilingual staff. When available, it will contain more than 2,000 key terms and expressions in common usage at the Board and will allow for greater consistency in writing and style.

Early in 1986, a joint Management Information Services/Vocational Rehabilitation project team implemented the first phase of a multi-phased system known as Rehabilitation Information Services (RIS). This phase has the capability to handle on-line updating and data retrieval for vocational rehabilitation referrals, transfers, follow-ups and closures, and can be utilized to prepare monthly statistical reports. The system will automate many current rehabilitation processes, which means more prompt and efficient service for the Board's clients.

The second phase, to be designed in early 1987, will provide further facilities

for training, assessments and expenditures, and will allow for growth in the number of users.

Computer technology also played an important role in the further development of services in the regions. To support the work done there, a Wang VS100 Office System with workstations linked to head office was installed in Hamilton, while a Wang VS65 system was set up in Thunder Bay. Existing computer systems at head office were enhanced through 294 IBM terminals, with the capability of providing related on-line information directly to the regional offices. This has substantially reduced paper flow, while assisting in the decision making process.

With the opening of two new regional offices, the number of Board staff was increased to provide more effective client services in these areas. In Hamilton, the staff complement rose by 274, to a total of 323; and in Thunder Bay, 72 positions were added, for a total of 91 employees.

As an equal opportunity employer, the Workers' Compensation Board continued to strive for equity in its own workplace during the year. Through the Injured Worker Employment Initiative, the Board's Employment Equity Program facilitated the hiring of rehabilitated workers for staff positions in head office and the regions. In 1986, a total of 31 rehabilitated

workers were hired province-wide, 20 of them in the Hamilton regional office, and six in Thunder Bay.

Employment of injured workers on a temporary basis, for job experience, was also arranged through the Work Experience Opportunity Program. In addition, a total of 39 technical aids were provided to disabled staff at the Board in 1986 to assist them in fulfilling the requirements of their jobs.

Special career development seminars for women on staff, as well as other programs of interest were sponsored by the Board during 1986. By the end of the year, women occupied 45.7 per cent of positions in the management and senior administrative scale, while their representation in senior management increased to 42 positions, up a full 25 per cent from the previous year.

The Corporate Services Division was created to provide an integrated and effective system of support services for the administration of the workers' compensation system. The year 1987 will be one of transition, during which we will foster these responsibilities to ensure that the delivery of our services is efficient and of the highest standard.

Statistical Record of Claims Process

In 1986, new claims reported to the Workers' Compensation Board across the province totalled 442,080, an increase of 3.6 per cent over 426,880 new claims in 1985.

Of total claims, 30,176 and 16,018 new claims were reported to the Board's regional offices in London and Sudbury respectively. With the opening of regional offices in Hamilton and Thunder Bay in November and December 1986, an additional 13,143 and 2,093 new claims were reported to these offices by year-end, while the remainder were received by the Board's Toronto head office.

During 1986, 46.0 per cent (203,241) of total new claims were accepted as lost-time claims, involving time off work and compensation payments. An additional 47.6 per cent (210,375) were accepted as no lost-time claims, for accidents which necessitated health care treatment but no time off work beyond the day of the accident. The remainder of claims were denied or otherwise categorized (including withdrawn or pending claims).

VOLUME AND TYPE OF CLAIMS, 1980-1986

Number of Claims and Percentage of Total Claims

| | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|---|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Allowed lost-time claims | 165,221 | 37.1 | 163,366 | 39.4 | 148,713 | 42.5 | 147,666 | 42.8 | 172,002 | 44.2 | 188,461 | 44.2 | 203,241 | 46.0 |
| Allowed no lost-time claims | 246,255 | 55.4 | 222,374 | 53.6 | 183,990 | 52.6 | 175,871 | 51.0 | 192,919 | 49.6 | 207,104 | 48.5 | 210,375 | 47.6 |
| Denied claims | 28,332 | 6.4 | 25,582 | 6.1 | 15,842 | 4.5 | 16,989 | 4.9 | 20,343 | 5.2 | 24,020 | 5.6 | 25,742 | 5.8 |
| Other (including withdrawn or pending claims) | 4,866 | 1.1 | 3,722 | 0.9 | 1,202 | 0.4 | 4,232 | 1.3 | 3,581 | 1.0 | 7,295 | 1.7 | 2,722 | 0.6 |
| Total claims | 444,674 | 100.0 | 415,044 | 100.0 | 349,747 | 100.0 | 344,758 | 100.0 | 388,845 | 100.0 | 426,880 | 100.0 | 442,080 | 100.0 |

New permanent disability pension awards, comprising life and provisional awards, totalled 14,832 in 1986, up 8.8 per cent from 13,626 in 1985. A total of 14,381 special supplements were awarded during the year, 22.5 per cent more than in 1985 (11,734).

The number of active life and provisional awards on file at the end of the year increased to 106,864, up 8.1 per cent from 98,870 in 1985.

NEW PENSION AWARDS IN A YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1986*

Number of Life and Provisional Awards and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 4,257 | 46.2 | 4,442 | 42.6 | 5,631 | 45.2 | 5,976 | 47.0 | 6,522 | 44.0 | 6,250 | 45.9 | 6,997 | 47.2 |
| 10.1% to 20.0% | 2,912 | 31.6 | 3,513 | 33.7 | 4,130 | 33.2 | 4,416 | 34.8 | 5,640 | 38.1 | 4,907 | 36.0 | 5,390 | 36.3 |
| 20.1% to 50.0% | 1,614 | 17.5 | 2,010 | 19.3 | 2,208 | 17.7 | 1,906 | 15.0 | 2,222 | 15.0 | 2,044 | 15.0 | 2,048 | 13.8 |
| 50.1% to 99.9% | 255 | 2.8 | 291 | 2.8 | 281 | 2.3 | 214 | 1.7 | 301 | 2.0 | 287 | 2.1 | 254 | 1.7 |
| 100.0% | 173 | 1.9 | 165 | 1.6 | 206 | 1.6 | 189 | 1.5 | 131 | 0.9 | 138 | 1.0 | 143 | 1.0 |
| Total awards | 9,211 | 100.0 | 10,421 | 100.0 | 12,456 | 100.0 | 12,701 | 100.0 | 14,816 | 100.0 | 13,626 | 100.0 | 14,832 | 100.0 |

Number of Special Supplements and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 234 | 6.7 | 248 | 6.0 | 236 | 4.1 | 180 | 2.4 | 214 | 2.4 | 167 | 1.4 | 300 | 2.1 |
| 10.1% to 20.0% | 414 | 11.8 | 393 | 9.5 | 385 | 6.7 | 330 | 4.5 | 431 | 4.8 | 804 | 6.9 | 522 | 3.6 |
| 20.1% to 50.0% | 963 | 27.4 | 995 | 24.1 | 1,039 | 18.0 | 1,034 | 14.0 | 1,403 | 15.7 | 2,408 | 20.5 | 2,532 | 17.6 |
| 50.1% to 99.9% | 1,900 | 54.0 | 2,491 | 60.3 | 4,098 | 71.1 | 5,832 | 79.0 | 6,873 | 77.0 | 8,339 | 71.1 | 9,155 | 63.7 |
| 100.0% | 4 | 0.1 | 3 | 0.1 | 8 | 0.1 | 4 | 0.1 | 9 | 0.1 | 16 | 0.1 | 14 | 0.1 |
| No % Permanent Disability** | — | — | — | — | — | — | — | — | — | — | — | — | 1,858* | 12.9 |
| Total awards | 3,515 | 100.0 | 4,130 | 100.0 | 5,766 | 100.0 | 7,380 | 100.0 | 8,930 | 100.0 | 11,734 | 100.0 | 14,381 | 100.0 |

*Excludes lump sum awards.

**In 1986, special supplements for old age were not assigned a specific per cent permanent disability.

ACTIVE PENSION AWARDS AT DECEMBER 31 OF EACH YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1986*

Number of Life and Provisional Awards and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|----------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 24,119 | 38.1 | 26,317 | 38.4 | 29,621 | 39.1 | 33,068 | 39.9 | 36,871 | 40.4 | 40,342 | 40.8 | 44,198 | 41.4 |
| 10.1% to 20.0% | 25,348 | 40.1 | 27,235 | 39.7 | 29,647 | 39.1 | 32,273 | 38.9 | 35,736 | 39.1 | 38,629 | 39.1 | 41,729 | 39.0 |
| 20.1% to 30.0% | 6,523 | 10.3 | 7,268 | 10.6 | 8,114 | 10.7 | 8,834 | 10.7 | 9,620 | 10.5 | 10,294 | 10.4 | 10,979 | 10.3 |
| 30.1% to 50.0% | 4,231 | 6.7 | 4,568 | 6.7 | 4,921 | 6.5 | 5,172 | 6.2 | 5,423 | 5.9 | 5,698 | 5.8 | 5,948 | 5.6 |
| 50.1% and more | 3,020 | 4.8 | 3,210 | 4.6 | 3,440 | 4.6 | 3,574 | 4.3 | 3,742 | 4.1 | 3,907 | 3.9 | 4,010 | 3.7 |
| Total awards | 63,241 | 100.0 | 68,598 | 100.0 | 75,743 | 100.0 | 82,921 | 100.0 | 91,392 | 100.0 | 98,870 | 100.0 | 106,864 | 100.0 |

Number of Special Supplements and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 116 | 7.3 | 109 | 6.8 | 98 | 4.7 | 81 | 3.0 | 88 | 2.6 | 62 | 1.5 | 111 | 1.7 |
| 10.1% to 20.0% | 324 | 20.5 | 306 | 19.1 | 310 | 15.0 | 280 | 10.3 | 289 | 8.6 | 592 | 13.9 | 274 | 4.0 |
| 20.1% to 30.0% | 351 | 22.2 | 306 | 19.1 | 323 | 15.6 | 280 | 10.3 | 293 | 8.8 | 554 | 13.0 | 339 | 5.0 |
| 30.1% to 50.0% | 322 | 20.4 | 334 | 20.8 | 339 | 16.4 | 372 | 13.6 | 435 | 13.0 | 679 | 15.9 | 674 | 9.9 |
| 50.1% and more | 467 | 29.6 | 547 | 34.2 | 1,000 | 48.3 | 1,717 | 62.8 | 2,240 | 67.0 | 2,373 | 55.7 | 3,009 | 44.4 |
| No % Permanent Disability** | — | — | — | — | — | — | — | — | — | — | — | — | 2,377* | 35.0 |
| Total awards | 1,580 | 100.0 | 1,602 | 100.0 | 2,070 | 100.0 | 2,730 | 100.0 | 3,345 | 100.0 | 4,260 | 100.0 | 6,784 | 100.0 |

*Excludes lump sum awards.

**In 1986, special supplements for old age were not assigned a specific per cent permanent disability.

There were 220* allowed fatal claims by year of death in 1986, compared with 195 the previous year. (*preliminary figure).

INDUSTRIAL FATALITIES, 1980-1986

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|------------|------|------|------|------|------|------|------|
| Fatalities | 311 | 265 | 226 | 232 | 234 | 195 | 220* |

* Preliminary figure

NOTE:

1) Represents allowed claims for fatalities based on the year of death of the worker;

2) Includes deaths arising out of occupational illnesses and injuries;

3) Allowed fatal claims are subject to slight change with time as new allowed claims are assigned to the year of death

In 1986, 97.5 per cent of uncomplicated claims were processed, and the first compensation cheque issued, within three working days of the Board's receipt of accident notification. Some 86.4 per cent of claims instituted on a doctor's first report were processed within 10 working days, while 80.4 per cent of complicated claims were processed within 30 working days.

CLAIMS RESPONSE TIMES, 1980-1986*

| | | | | | | | |
|--|------|------|------|------|------|-------|-------|
| Uncomplicated Claims (Instituted on employer's report) | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
| | % | % | % | % | % | % | % |
| % of claims paid within... | | | | | | | |
| 3 workdays | 94.6 | 95.3 | 95.7 | 96.1 | 96.8 | 98.0 | 97.5 |
| 4 workdays | 96.6 | 98.1 | 98.7 | 97.9 | 97.8 | 99.0 | 99.1 |
| 5 workdays | 96.9 | 98.8 | 99.2 | 98.5 | 98.8 | 99.3 | 99.4 |
| Claims Instituted on Doctor's First Report (Requiring additional reports from employer/employee) | | | | | | | |
| % of claims paid within... | | | | | | | |
| 10 workdays | 58.1 | 44.4 | 60.6 | 92.9 | 89.7 | 84.6 | 86.4 |
| 20 workdays | 78.2 | 67.5 | 86.1 | 98.4 | 98.1 | 97.5 | 97.7 |
| 30 workdays | 91.9 | 82.8 | 94.9 | 99.4 | 99.1 | 100.0 | 100.0 |
| Complicated Claims (Needing inquiries or full field investigations) | | | | | | | |
| % of claims paid within... | | | | | | | |
| 10 workdays | 22.1 | 35.1 | 36.0 | 36.8 | 36.8 | 37.0 | 29.5 |
| 20 workdays | 50.6 | 62.2 | 67.5 | 66.6 | 65.9 | 67.5 | 61.2 |
| 30 workdays | 75.3 | 76.9 | 82.0 | 84.3 | 84.0 | 82.5 | 80.4 |

* A comparison over seven years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque

NOTE: Claims excluded:

1) claims in which there was a change in status from "no lost time" to "lost time"

2) hernia claims;

3) industrial disease claims.

The average duration on benefit, or average number of workdays injured workers were on temporary total compensation in 1986, was 35.7 days (7.1 weeks), up from 34.9 workdays in 1985.

AVERAGE DURATION ON BENEFIT, 1980-1986*

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---------------------------------------|------|------|------|------|------|------|------|
| Average number of workdays on benefit | 23.4 | 26.4 | 30.3 | 37.4 | 38.1 | 34.9 | 35.7 |
| Converted to weeks on benefit | 4.7 | 5.3 | 6.1 | 7.5 | 7.6 | 7.0 | 7.1 |

* These are the average workdays on benefit, or temporary total compensation, for compensation claims which were closed or initially settled in the year involved. They are not persistency values, which is a term used by the Board's actuarial services for costing purposes.

A total of 10,448 objections to Board decisions were reviewed by the Board's decision review specialists during 1986, a substantial decrease of 60.8 per cent from the previous year (26,619 objections). Of this total, 34.6 per cent of objections were granted, either in whole or in part, compared with 25 per cent under the Board's previous system of review in 1985.

Hearings officers at the Board conducted 4,154 hearings in 1986, down 10.4 per cent from 4,634 hearings in 1985. Of objections heard, 59.1 per cent were granted, either in whole or in part, compared with 50.1 per cent the year before.

Access to claim files, which is available to injured workers and employers when an adverse decision has been rendered in an operating area of the Board and an objection raised, increased by a significant 66.8 per cent during the year. Access to files totalled 22,390 in 1986, up from 13,421 in 1985.

The Workers' Compensation Board's medical advisers reviewed 154,561 claim files in 1986 (down from 155,831 the year before) in order to provide medical opinions which would assist in the adjudication of individual claims. Industrial disease consultants reviewed 28.2 per cent more claims, for a total of 22,470 (from 17,528 in 1985). Permanent disability examinations of injured workers totalled 18,413, up 4.1 per cent from 17,692.

The Board paid out \$166,726,654 in health care benefit accounts and related expenses during the year, an increase of 14.2 per cent. A total of 3,988,383 individual service items were paid for with respect to the treatment of injured workers, up 7.7 per cent over 1985.

Home modifications were arranged for 467 injured workers (up 46 per cent from 319 in 1985) who, because of severe disability, medically required modifications to their home. A total of \$1,023,738 was paid for these modifications in 1986, at an average cost of \$2,192 per injured worker.

Admissions to the Board's 499-bed Downsview Rehabilitation Centre decreased by 4.2 per cent in 1986, to 13,522 from 14,111 the previous year. Of these, 8,702 patients completed the full-treatment program, 7.8 per cent fewer than in 1985 (9,438), and stayed at the Centre for an average of 19.9 days (18.9 the year before). Of patients who completed the full-treatment program, 7,287 were medically fit to return to work, a success rate of 83.7 per cent in these complicated cases.

FULL-TREATMENT PROGRAMS COMPLETED AT DOWNSVIEW REHABILITATION CENTRE AND WORKERS MEDICALLY FIT TO RETURN TO WORK, 1980-1986

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|-------|-------|-------|-------|-------|-------|-------|
| Workers who completed full-treatment program | 5,955 | 6,126 | 6,059 | 6,520 | 6,944 | 9,438 | 8,702 |
| Workers medically fit to return to work | 4,594 | 4,639 | 4,651 | 5,188 | 5,731 | 7,893 | 7,287 |

Injured workers across the province referred for vocational rehabilitation services at the Board totalled 11,365 in 1986, compared with 11,269 in 1985.

Vocational rehabilitation staff were instrumental in rehabilitating 5,945 injured workers during the year, up 6.5 per cent from the year before (5,581 rehabilitated). Of these, 5,151 workers were returned to work, 52.0 per cent of them (2,678) to a new employer, 41.6 per cent (2,145) to the accident employer, and 6.4 per cent (328) became self-employed. The remaining 794 workers, who will not be returning to employment, were assisted in achieving financial self-sufficiency.

There were an additional 4,156 vocational rehabilitation cases during the year in which no further action was indicated, bringing the total number of cases closed in 1986 to 10,101, up 0.2 per cent from the previous year. A total of 10,731 cases remained active at year-end.

INJURED WORKERS REFERRED FOR VOCATIONAL REHABILITATION, 1980-1986

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|-----------------|-------|-------|-------|-------|-------|--------|--------|
| Injured workers | 5,707 | 6,545 | 7,656 | 8,126 | 7,633 | 11,269 | 11,365 |

INJURED WORKERS REHABILITATED, 1980-1986

| Injured Workers Employed With... | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Accident employer | 848 | 1,020 | 991 | 1,320 | 1,293 | 2,031 | 2,145 |
| New employer | 1,772 | 1,893 | 1,545 | 1,651 | 2,162 | 2,534 | 2,678 |
| Self-employed | 185 | 191 | 169 | 217 | 259 | 309 | 328 |
| Total employed | 2,805 | 3,104 | 2,705 | 3,188 | 3,714 | 4,874 | 5,151 |
| Assisted in becoming financially self-sufficient | 609 | 608 | 777 | 793 | 696 | 707 | 794 |
| Total rehabilitated | 3,414 | 3,712 | 3,482 | 3,981 | 4,410 | 5,581 | 5,945 |

In 1986, 4,990 job opportunities across Ontario were located by Board staff for use in the placement of rehabilitated workers, a 5.7 per cent decrease from 1985 (5,291). Rehabilitated workers were placed, and an assessment or training-on-the-job program commenced, in 2,176 of these jobs (43.6 per cent). More job opportunities are obtained than are filled in order to provide workers with a selection of jobs from which to choose the most suitable.

Injured workers participated in 4,789 assessments during the year, up 6.4 per cent, in order to help identify their interests, aptitudes and capabilities and to assist in vocational planning and job placement. Some 3,118 training programs were commenced for injured workers, a 19.3 per cent increase over 1985.

ASSESSMENTS AND TRAINING PROGRAMS COMMENCED, 1980-1986

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|
| Assessments | 2,758 | 2,780 | 2,775 | 3,302 | 3,837 | 4,499 | 4,789 |
| Training programs | 2,246 | 2,319 | 2,451 | 2,400 | 2,654 | 2,614 | 3,118 |

Schedule 1 Accident Fund

Employers in Ontario who are covered under Schedule I of the Workers' Compensation Act contribute to a collective accident fund, which is divided into 109 active rate groups for the purpose of issuing assessments and paying benefit expenses. In 1986, the number of employers covered under Schedule I grew to 187,000 from 178,000, an increase of 5.0 per cent.

Assessment income in 1986 increased to \$1.69 billion from \$1.33 billion, up 27.1 per cent. The estimated payroll reported by Schedule I employers rose to \$58.6 billion from \$52.2 billion in 1985, a 12.3 per cent increase.

CHANGES IN ASSESSMENT INCOME AND ASSESSABLE PAYROLL, 1980-1986

(1980 = 100%)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---------------------------------------|---------|---------|---------|---------|-----------|-----------|-----------|
| Assessment income (Millions of \$) | \$529.0 | \$601.0 | \$704.0 | \$789.0 | \$1,060.0 | \$1,330.0 | \$1,630.0 |
| Percentage change - Assessment | 100% | 114% | 133% | 149% | 200% | 251% | 308% |
| Total payroll (Billions of \$) | \$ 32.7 | \$ 37.4 | \$ 40.9 | \$ 42.3 | \$ 48.4 | \$ 52.2 | \$ 58.6 |
| Percentage change - Total payroll | 100% | 114% | 125% | 129% | 148% | 160% | 179% |

The earnings ceiling for assessment purposes remained, as in 1985, at \$31,500. The ceiling on annual earnings covered for benefits was raised to \$32,100 from \$31,500 the year before. Effective January 1, 1987, as a result of Bill 81 (which indexed benefit earnings), the earnings ceiling for assessment purposes for a calendar year will be equal to the January 1st earnings ceiling for benefits.

Requests for personal coverage (by sole proprietors, partners, independent operators and their spouses) or revisions to existing personal coverage, as of April 15, 1986, are subject to minimum earnings of \$16,000 for assessment purposes. Effective January 1, 1987, the minimum earnings for personal coverage will be set at 50 per cent of the assessment ceiling on earnings, rounded down to the next \$100.

The average rate of assessment for every hundred dollars of assessable payroll in 1986 was \$2.65, an increase of 14.7 per cent over the 1985 average rate. The 1986 rates ranged from a low of \$0.10 to a high of \$28.05 per \$100 of payroll. The estimated average for 1987 is \$2.88, an 8.7 per cent increase over the 1986 average rate.

AVERAGE RATE OF ASSESSMENT FOR SCHEDULE 1 EMPLOYERS, 1980-1986

(rate per \$100 of payroll)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Average rate of assessment | \$ 1.65 | \$ 1.69 | \$ 1.77 | \$ 1.88 | \$ 2.17 | \$ 2.31 | \$ 2.65 |
| Lowest rate of assessment | \$ 0.15 | \$ 0.20 | \$ 0.25 | \$ 0.26 | \$ 0.28 | \$ 0.14 | \$ 0.10 |
| Highest rate of assessment | \$16.15 | \$18.00 | \$20.25 | \$21.85 | \$25.12 | \$25.12 | \$28.05 |

The Schedule 1 average annual assessment per worker in 1986 was \$545. This average is based on 109 rate groups, which span a wide variety of industries in Ontario. It is bounded by a low of \$25 per worker and a high of \$8,650 per worker. The estimated average for 1987 is \$625, an average increase of 15.0 per cent.

A total of 12,978 employer audits were conducted in 1986, compared with 14,123 in 1985. Resulting additional assessments amounted to \$2.2 million, up from \$2.1 million the year before.

The Board administers three experience rating plans, affecting 53 of 109 rate groups. There were 49,497 firms eligible for experience rating in 1986, of which 74 per cent received credits totalling \$41.4 million and 26 per cent received surcharges totalling \$40.5 million.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and health care benefit costs transferred to SIEF in 1986 totalled \$167,575,260, or 15.3 per cent of total Schedule 1 awards, up from \$151,748,669 in 1985.

The Board's net investment income increased to \$216.7 million from \$186.4 million, up 16.3 per cent. The running yield on the long-term portfolio decreased to 10.55 per cent from 11.4 per cent in 1985.

Schedule 1 assets in 1986 rose to \$2.98 billion from \$2.5 billion in 1985, an increase of 19.4 per cent. Accident fund investments, valued at amortized cost adjusted for accumulated unamortized net losses, account for \$2.33 billion of the assets, and grew from \$1.91 billion the previous year.

CHANGES IN THE ACCIDENT FUND INVESTMENT PORTFOLIO, 1980-1986 (percentage of total)

| | End of 1980 % | End of 1981 % | End of 1982 % | End of 1983 % | End of 1984 % | End of 1985 % | End of 1986 % |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Long-term bonds | 70.1 | 68.0 | 63.5 | 63.1 | 64.5 | 72.4 | 67.6 |
| Mortgages | 24.1 | 25.0 | 26.0 | 24.7 | 23.4 | 21.1 | 18.2 |
| Short-term securities | 5.8 | 7.0 | 10.5 | 12.2 | 12.1 | 6.5 | 8.5 |
| Equities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 5.7 |

Claims Profiles, 1980-1986

Charts to follow present detailed claims information in the province on the basis of claims "initially settled" in the year. This concept differs from the basis of claims information on previous pages of the Annual Report, which record "allowed new claims" by year of accident or year of death.

Initially settled claims are claims which are finalised or closed for the first time. A claim becomes settled when no further activity is anticipated — for example, when no further compensation payments are expected. Claims which are settled in a given year may be for accidents or diseases which occurred in previous years, although most claims are settled within a few weeks of the accident.

The use of settled or finalised claims as a basis of these statistics permits a more detailed breakdown of claims information, and is commonly used by other Boards across Canada.

Definitions of specific claims information presented here are as follows:

Temporary Total (TT) Compensation Claim — A TT claim is a claim which has been allowed for temporary total compensation benefits. This is commonly referred to as a lost-time claim.

Permanent Disability (PD) Claim — A P.D. claim is a claim in which a permanent disability award is made. Most P.D. awards are made for life. Initially settled P.D. claims are P.D. claims which are finalised in the year and the first settlement is for P.D. benefits. It does not include P.D. claims which are established after a claim is reopened and subsequently resettled.

Fatal Claim — A fatal claim is one in which a death claim is allowed. Initially settled fatal claims are fatal claims which are settled or finalised in the year, regardless of the year in which death occurred. It does not include fatal claims which are allowed after a claim is reopened and subsequently resettled.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1986

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | | 1986* | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 52,546 | 33.9 | 45,008 | 29.4 | 43,551 | 30.3 | 37,847 | 29.2 | 65,150 | 12.3 | 83,341 | 17.9 | 90,093 | 48.9 |
| Contusions, impact skin | 21,699 | 14.0 | 17,817 | 11.6 | 16,929 | 11.8 | 13,991 | 10.8 | 26,334 | 17.1 | 37,108 | 21.3 | 38,642 | 20.9 |
| Cuts, lacerations, open wounds | 20,724 | 13.4 | 19,552 | 12.8 | 17,930 | 12.5 | 15,885 | 12.3 | 19,552 | 12.7 | 22,096 | 12.7 | 23,653 | 12.8 |
| Fractures | 9,941 | 6.4 | 7,588 | 4.9 | 7,258 | 5.1 | 5,785 | 4.5 | 7,180 | 4.7 | 7,580 | 4.4 | 7,508 | 4.1 |
| Scalds, abrasions | 6,038 | 3.9 | 5,702 | 3.7 | 4,867 | 3.4 | 4,197 | 3.3 | 4,937 | 3.2 | 5,828 | 3.3 | 6,215 | 3.4 |
| Burns or scalds (heat) | 4,273 | 2.8 | 4,083 | 2.7 | 3,744 | 2.6 | 3,259 | 2.5 | 3,787 | 2.5 | 4,251 | 2.4 | 4,403 | 2.4 |
| Bleeding, rupture | 1,807 | 1.2 | 1,743 | 1.1 | 1,674 | 1.2 | 1,563 | 1.2 | 1,622 | 1.1 | 1,570 | 0.9 | 1,776 | 0.9 |
| Multiple injuries | 1,236 | 0.8 | 979 | 0.6 | 975 | 0.7 | 654 | 0.5 | 859 | 0.6 | 1,014 | 0.6 | 916 | 0.5 |
| Dislocation | 706 | 0.5 | 552 | 0.4 | 559 | 0.4 | 381 | 0.3 | 491 | 0.3 | 582 | 0.3 | 597 | 0.3 |
| Concussion, brain, cerebral | 623 | 0.4 | 385 | 0.3 | 381 | 0.3 | 270 | 0.2 | 353 | 0.2 | 350 | 0.2 | 344 | 0.2 |
| Amputation or caudectomy | 806 | 0.5 | 615 | 0.4 | 557 | 0.4 | 302 | 0.2 | 344 | 0.2 | 306 | 0.2 | 303 | 0.2 |
| Electric shock, electrocution | 218 | 0.1 | 251 | 0.2 | 168 | 0.1 | 141 | 0.1 | 166 | 0.1 | 164 | 0.1 | 208 | 0.1 |
| Asphyxia, strangulation, drowning | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 30,264 | 19.3 | 44,436 | 29.0 | 40,835 | 28.3 | 41,575 | 32.1 | 18,966 | 12.3 | 4,635 | 2.7 | 3,508 | 1.9 |
| Total occupational injuries | 150,882 | 97.2 | 148,711 | 97.1 | 139,428 | 97.1 | 125,850 | 97.2 | 149,741 | 97.3 | 168,825 | 97.0 | 178,166 | 96.6 |
| Occupational Disease | | | | | | | | | | | | | | |
| Burn (chemical) | 1,224 | 0.8 | 1,196 | 0.8 | 1,036 | 0.7 | 928 | 0.7 | 962 | 0.6 | 1,176 | 0.7 | 1,402 | 0.8 |
| Ultraviolet rays, welders' flash | 1,087 | 0.7 | 989 | 0.7 | 892 | 0.6 | 573 | 0.5 | 691 | 0.5 | 832 | 0.5 | 888 | 0.4 |
| Flame toxicity, smoke inhalation | 617 | 0.4 | 646 | 0.4 | 638 | 0.5 | 631 | 0.5 | 613 | 0.4 | 822 | 0.5 | 859 | 0.5 |
| Synovitis, tenosynovitis, tendonitis | 282 | 0.2 | 394 | 0.3 | 455 | 0.3 | 307 | 0.2 | 473 | 0.3 | 785 | 0.5 | 1,308 | 0.7 |
| Dermatitis | 680 | 0.4 | 650 | 0.4 | 606 | 0.4 | 523 | 0.4 | 565 | 0.4 | 640 | 0.4 | 668 | 0.4 |
| Contagious or infectious diseases | 212 | 0.2 | 139 | 0.1 | 203 | 0.1 | 330 | 0.3 | 381 | 0.3 | 414 | 0.2 | 309 | 0.2 |
| Inflammation or irritation of joints, etc. | 105 | 0.1 | 138 | 0.1 | 123 | 0.1 | 135 | 0.1 | 253 | 0.2 | 349 | 0.2 | 554 | 0.3 |
| Freezing, frostbite, etc. | 27 | 0.0 | 74 | 0.1 | 59 | 0.1 | 18 | 0.0 | 54 | 0.0 | 53 | 0.0 | 59 | 0.0 |
| Bursitis | 5 | 0.0 | 20 | 0.0 | 25 | 0.0 | 23 | 0.0 | 18 | 0.0 | 31 | 0.0 | 42 | 0.0 |
| Pneumoconiosis | 31 | 0.0 | 57 | 0.0 | 32 | 0.0 | 29 | 0.0 | 39 | 0.0 | 30 | 0.0 | 36 | 0.0 |
| Heatstroke, sunstroke, heat cramps | 8 | 0.0 | 16 | 0.0 | 20 | 0.0 | 22 | 0.0 | 19 | 0.0 | 12 | 0.0 | 8 | 0.0 |
| Hearing loss or impairment | 4 | 0.0 | 3 | 0.0 | 6 | 0.0 | 1 | 0.0 | 6 | 0.0 | 5 | 0.0 | 12 | 0.0 |
| Casson's disease | 2 | 0.0 | 8 | 0.0 | 6 | 0.0 | 6 | 0.0 | 1 | 0.0 | 2 | 0.0 | 1 | 0.0 |
| Tuberculosis | 3 | 0.0 | 7 | 0.0 | 4 | 0.0 | 2 | 0.0 | 4 | 0.0 | 2 | 0.0 | 3 | 0.0 |
| Silicosis | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 3 | 0.0 | 1 | 0.0 | 3 | 0.0 |
| Asbestosis | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Other occupational illnesses | 54 | 0.0 | 60 | 0.0 | 150 | 0.1 | 89 | 0.1 | 72 | 0.0 | 84 | 0.0 | 104 | 0.1 |
| Total occupational diseases | 4,343 | 2.8 | 4,399 | 2.9 | 4,255 | 2.9 | 3,617 | 2.8 | 4,154 | 2.7 | 5,238 | 3.0 | 6,257 | 3.4 |
| Total injuries and diseases | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 |

*The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985 and 1986 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1986

Number of Claims and Percentage of Total Claims

| Part of Body Injured | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | | 1986* | |
|----------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 37,842 | 24.4 | 39,327 | 25.7 | 37,534 | 26.1 | 35,874 | 27.7 | 42,896 | 27.9 | 48,988 | 28.1 | 50,524 | 27.4 |
| Finger(s) | 20,441 | 13.2 | 19,206 | 12.5 | 17,558 | 12.2 | 14,750 | 11.4 | 18,313 | 11.9 | 21,164 | 12.2 | 22,050 | 12.0 |
| Multiple parts | 6,827 | 4.4 | 8,358 | 5.5 | 8,338 | 5.8 | 7,747 | 6.0 | 8,907 | 5.8 | 11,834 | 6.8 | 12,521 | 6.8 |
| Knee | 6,534 | 4.2 | 4,384 | 2.9 | 4,271 | 3.0 | 3,376 | 2.6 | 7,478 | 4.9 | 9,398 | 5.4 | 9,772 | 5.3 |
| Ankle | 8,095 | 5.2 | 7,387 | 4.8 | 6,851 | 4.8 | 5,848 | 4.5 | 7,760 | 5.0 | 9,054 | 5.2 | 9,044 | 4.9 |
| Hand | 7,420 | 4.8 | 6,705 | 4.4 | 6,376 | 4.4 | 5,678 | 4.4 | 7,698 | 5.0 | 8,881 | 5.1 | 9,236 | 5.0 |
| Shoulder | 4,755 | 3.1 | 4,055 | 2.6 | 4,012 | 2.8 | 3,603 | 2.8 | 6,518 | 4.2 | 8,238 | 4.7 | 8,747 | 4.7 |
| Foot | 4,692 | 3.0 | 2,056 | 1.3 | 2,113 | 1.5 | 1,424 | 1.1 | 5,843 | 3.8 | 7,574 | 4.4 | 8,081 | 4.4 |
| Eye(s) | 7,135 | 4.6 | 6,974 | 4.6 | 6,222 | 4.3 | 5,516 | 4.3 | 6,621 | 4.3 | 7,196 | 4.1 | 7,517 | 4.1 |
| Wrist | 4,166 | 2.7 | 3,829 | 2.5 | 3,678 | 2.6 | 3,263 | 2.5 | 4,586 | 3.0 | 5,617 | 3.2 | 5,771 | 3.1 |
| Chest | 2,890 | 1.8 | 2,538 | 1.7 | 2,475 | 1.7 | 2,227 | 1.7 | 3,643 | 2.4 | 3,985 | 2.3 | 3,999 | 2.2 |
| Abdomen | 3,237 | 2.1 | 3,690 | 2.4 | 3,393 | 2.4 | 3,252 | 2.5 | 3,538 | 2.3 | 3,687 | 2.1 | 4,081 | 2.2 |
| Elbow | 2,314 | 1.5 | 1,542 | 1.0 | 1,495 | 1.0 | 1,400 | 1.1 | 2,625 | 1.7 | 3,255 | 1.9 | 3,493 | 1.9 |
| Lower leg | 6,533 | 4.2 | 9,006 | 5.9 | 8,035 | 5.6 | 8,482 | 6.5 | 4,128 | 2.7 | 3,119 | 1.8 | 2,945 | 1.6 |
| Forearm | 3,978 | 2.6 | 4,847 | 3.2 | 4,199 | 2.9 | 3,975 | 3.1 | 2,945 | 1.9 | 2,929 | 1.7 | 3,237 | 1.7 |
| Toe(s) | 2,879 | 1.8 | 3,059 | 2.0 | 2,759 | 1.9 | 2,510 | 1.9 | 2,079 | 1.3 | 2,256 | 1.3 | 2,444 | 1.3 |
| Other | 25,487 | 16.4 | 26,147 | 17.0 | 24,374 | 17.0 | 20,542 | 15.9 | 18,317 | 11.9 | 16,888 | 9.7 | 20,961 | 11.4 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 |

*The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985 and 1986 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY INDUSTRY, 1980-1986

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Manufacturing | 62,977 | 40.6 | 60,238 | 39.3 | 53,800 | 37.4 | 46,020 | 35.5 | 58,100 | 37.8 | 67,738 | 38.9 | 73,802 | 40.0 |
| Service | 20,370 | 13.1 | 22,016 | 14.4 | 22,081 | 15.4 | 21,249 | 16.4 | 25,105 | 16.3 | 29,215 | 16.8 | 31,363 | 17.0 |
| Trade, wholesale and retail | 22,236 | 14.3 | 22,217 | 14.5 | 21,015 | 14.6 | 19,137 | 14.8 | 22,537 | 14.6 | 25,741 | 14.8 | 27,738 | 15.0 |
| Transportation and communications | 12,868 | 8.3 | 13,686 | 9.0 | 15,657 | 10.9 | 14,233 | 11.0 | 15,991 | 10.4 | 16,877 | 9.7 | 16,723 | 9.1 |
| Public administration and defence | 15,950 | 10.3 | 14,531 | 9.5 | 12,477 | 8.7 | 12,644 | 9.8 | 13,009 | 8.5 | 14,221 | 8.2 | 13,629 | 7.4 |
| Construction | 13,357 | 8.6 | 13,121 | 8.6 | 12,194 | 8.5 | 10,553 | 8.2 | 12,309 | 8.0 | 13,489 | 7.7 | 14,821 | 8.0 |
| Agriculture | 1,988 | 1.3 | 2,032 | 1.3 | 2,035 | 1.4 | 2,010 | 1.6 | 2,351 | 1.5 | 2,316 | 1.3 | 2,327 | 1.3 |
| Mines, quarries and oil wells | 2,976 | 1.9 | 2,769 | 1.8 | 2,127 | 1.5 | 1,476 | 1.1 | 1,895 | 1.2 | 1,700 | 1.0 | 1,447 | 0.8 |
| Finance, insurance and real estate | 1,331 | 0.9 | 1,407 | 0.9 | 1,331 | 0.9 | 1,211 | 0.9 | 1,404 | 0.9 | 1,536 | 0.9 | 1,514 | 0.8 |
| Forestry | 1,145 | 0.7 | 1,060 | 0.7 | 943 | 0.7 | 900 | 0.7 | 1,163 | 0.8 | 1,189 | 0.7 | 1,022 | 0.6 |
| Fishing and trapping | 27 | 0.0 | 33 | 0.0 | 23 | 0.0 | 34 | 0.0 | 31 | 0.0 | 41 | 0.0 | 37 | 0.0 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 |

PERMANENT DISABILITY SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1986

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 1,194 | 26.6 | 1,479 | 29.5 | 1,732 | 28.9 | 2,350 | 30.0 | 2,696 | 29.2 | 2,310 | 27.9 | 3,283 | 36.5 |
| Fractures | 736 | 16.4 | 699 | 13.9 | 768 | 12.8 | 1,007 | 12.9 | 997 | 10.8 | 877 | 10.6 | 830 | 9.2 |
| Cuts, lacerations, open wounds | 544 | 12.1 | 465 | 9.3 | 586 | 9.8 | 683 | 8.8 | 772 | 8.4 | 801 | 9.7 | 759 | 8.4 |
| Contusions - intact skin | 301 | 6.7 | 342 | 6.8 | 375 | 6.3 | 495 | 6.3 | 599 | 6.5 | 552 | 6.7 | 909 | 10.1 |
| Amputation or enucleation | 410 | 9.1 | 404 | 8.0 | 382 | 6.4 | 343 | 4.4 | 372 | 4.0 | 307 | 3.7 | 280 | 3.1 |
| Multiple injuries | 154 | 3.4 | 152 | 3.0 | 173 | 2.9 | 236 | 3.0 | 189 | 2.0 | 200 | 2.4 | 202 | 2.3 |
| Burns or scalds (heat) | 34 | 0.8 | 33 | 0.7 | 36 | 0.6 | 42 | 0.5 | 67 | 0.7 | 40 | 0.5 | 30 | 0.4 |
| Dislocation | 27 | 0.6 | 41 | 0.8 | 45 | 0.8 | 62 | 0.8 | 49 | 0.5 | 37 | 0.4 | 57 | 0.6 |
| Scratches, abrasions | 28 | 0.6 | 27 | 0.5 | 33 | 0.6 | 36 | 0.5 | 29 | 0.3 | 34 | 0.4 | 32 | 0.4 |
| Concussion - brain, cerebral | 8 | 0.2 | 17 | 0.3 | 18 | 0.3 | 27 | 0.3 | 23 | 0.3 | 20 | 0.2 | 20 | 0.2 |
| Hernia, rupture | 8 | 0.2 | 3 | 0.1 | 10 | 0.1 | 7 | 0.1 | 13 | 0.1 | 17 | 0.2 | 11 | 0.1 |
| Electric shock, electrocution | 8 | 0.2 | 8 | 0.2 | 10 | 0.1 | 12 | 0.2 | 14 | 0.2 | 11 | 0.1 | 11 | 0.1 |
| Asphyxia, strangulation, drowning | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 630 | 14.0 | 786 | 15.7 | 1,031 | 17.1 | 1,682 | 21.5 | 2,309 | 25.0 | 2,111 | 25.4 | 1,406 | 15.6 |
| Total occupational injuries | 4,082 | 90.9 | 4,457 | 88.8 | 5,199 | 86.7 | 6,982 | 89.3 | 8,129 | 88.0 | 7,317 | 88.2 | 7,830 | 87.0 |
| Occupational Disease | | | | | | | | | | | | | | |
| Hearing loss or impairment | 349 | 7.8 | 447 | 8.9 | 667 | 11.1 | 630 | 8.1 | 841 | 9.1 | 758 | 9.2 | 902 | 10.0 |
| Inflammation or irritation of joints, tendons, etc. | 11 | 0.3 | 21 | 0.4 | 31 | 0.5 | 57 | 0.7 | 119 | 1.3 | 107 | 1.3 | 89 | 1.0 |
| Synovitis, tenosynovitis, tendonitis | 12 | 0.3 | 18 | 0.4 | 19 | 0.3 | 31 | 0.4 | 47 | 0.5 | 28 | 0.3 | 64 | 0.7 |
| Dermatitis | 6 | 0.1 | 9 | 0.2 | 14 | 0.2 | 33 | 0.4 | 30 | 0.4 | 19 | 0.2 | 23 | 0.3 |
| Burn (chemical) | 4 | 0.1 | 6 | 0.1 | 5 | 0.1 | 14 | 0.2 | 12 | 0.2 | 8 | 0.1 | 7 | 0.1 |
| Silicosis | 7 | 0.2 | 16 | 0.3 | 20 | 0.3 | 6 | 0.1 | 10 | 0.1 | 8 | 0.1 | 20 | 0.2 |
| Pneumoconiosis | 1 | 0.0 | 5 | 0.1 | 10 | 0.2 | 7 | 0.1 | 7 | 0.1 | 6 | 0.1 | 5 | 0.1 |
| Asbestosis | 6 | 0.1 | 10 | 0.2 | 5 | 0.1 | 6 | 0.1 | 4 | 0.0 | 5 | 0.1 | 12 | 0.1 |
| Fume toxicity, smoke inhalation | 0 | 0.0 | 5 | 0.1 | 5 | 0.1 | 2 | 0.0 | 4 | 0.0 | 3 | 0.0 | 8 | 0.1 |
| Ultraviolet rays, welders' flash | 1 | 0.0 | 3 | 0.1 | 5 | 0.1 | 4 | 0.1 | 4 | 0.0 | 1 | 0.0 | 1 | 0.0 |
| Bursitis | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 4 | 0.0 | 1 | 0.0 | 4 | 0.0 |
| Tuberculosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Freezing, frostbite, etc. | 0 | 0.0 | 1 | 0.0 | 1 | 0.0 | 4 | 0.1 | 4 | 0.0 | 0 | 0.0 | 3 | 0.0 |
| Tuberculosis and pneumoconiosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Contagious or infectious diseases | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Caisson's disease | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Other occupational illnesses | 10 | 0.2 | 19 | 0.4 | 17 | 0.3 | 30 | 0.4 | 21 | 0.3 | 32 | 0.4 | 31 | 0.4 |
| Total occupational diseases | 407 | 9.1 | 562 | 11.2 | 799 | 13.3 | 828 | 10.7 | 1,109 | 12.0 | 977 | 11.8 | 1,172 | 13.0 |
| Total injuries and diseases | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 | 9,002 | 100.0 |

PERMANENT DISABILITY SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1986

Number of Claims and Percentage of Total Claims

| Part of Body | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|----------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 1,152 | 25.7 | 1,489 | 29.7 | 1,686 | 28.1 | 2,357 | 30.2 | 2,839 | 30.7 | 2,478 | 29.9 | 2,921 | 32.5 |
| Finger(s) | 1,084 | 24.2 | 970 | 19.3 | 1,119 | 18.7 | 1,217 | 15.6 | 1,333 | 14.4 | 1,337 | 16.1 | 1,226 | 13.6 |
| Multiple parts | 324 | 7.2 | 329 | 6.6 | 356 | 5.9 | 600 | 7.7 | 691 | 7.5 | 687 | 8.3 | 790 | 8.8 |
| Knee | 237 | 5.3 | 248 | 4.9 | 270 | 4.5 | 332 | 4.3 | 380 | 4.1 | 331 | 4.0 | 389 | 4.3 |
| Lower leg | 77 | 1.7 | 99 | 2.0 | 134 | 2.3 | 235 | 3.0 | 319 | 3.5 | 262 | 3.2 | 200 | 2.2 |
| Hand | 162 | 3.6 | 155 | 3.1 | 170 | 2.8 | 214 | 2.7 | 289 | 3.1 | 251 | 3.0 | 243 | 2.7 |
| Wrist | 141 | 3.1 | 133 | 2.6 | 117 | 2.0 | 175 | 2.2 | 201 | 2.2 | 211 | 2.5 | 215 | 2.4 |
| Shoulder | 93 | 2.1 | 132 | 2.6 | 170 | 2.8 | 242 | 3.1 | 243 | 2.6 | 190 | 2.3 | 346 | 3.8 |
| Ankle | 78 | 1.7 | 107 | 2.1 | 113 | 1.9 | 149 | 1.9 | 182 | 2.0 | 149 | 1.8 | 199 | 2.2 |
| Forearm | 73 | 1.6 | 60 | 1.2 | 97 | 1.6 | 115 | 1.5 | 159 | 1.7 | 131 | 1.6 | 117 | 1.3 |
| Foot | 76 | 1.7 | 99 | 2.0 | 95 | 1.6 | 116 | 1.5 | 119 | 1.3 | 102 | 1.2 | 147 | 1.6 |
| Elbow | 47 | 1.1 | 61 | 1.2 | 68 | 1.1 | 88 | 1.1 | 94 | 1.0 | 100 | 1.2 | 143 | 1.6 |
| Abdomen | 27 | 0.6 | 19 | 0.4 | 37 | 0.6 | 37 | 0.5 | 78 | 0.8 | 68 | 0.8 | 50 | 0.6 |
| Eye(s) | 59 | 1.3 | 58 | 1.2 | 60 | 1.0 | 66 | 0.8 | 62 | 0.7 | 57 | 0.7 | 47 | 0.5 |
| Toe(s) | 37 | 0.8 | 23 | 0.5 | 30 | 0.5 | 48 | 0.6 | 71 | 0.8 | 45 | 0.5 | 36 | 0.4 |
| Chest | 18 | 0.4 | 26 | 0.5 | 24 | 0.4 | 35 | 0.5 | 28 | 0.3 | 41 | 0.5 | 44 | 0.5 |
| Other | 804 | 17.9 | 1,011 | 20.1 | 1,452 | 24.2 | 1,784 | 22.8 | 2,150 | 23.3 | 1,854 | 22.4 | 1,889 | 21.0 |
| Total claims | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 | 9,002 | 100.0 |

FATAL SETTLED CLAIMS BY INDUSTRY, 1980-1986

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | |
|------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Manufacturing | 39 | 19.7 | 51 | 23.2 | 49 | 24.0 | 50 | 27.9 | 60 | 30.0 | 34 | 23.6 | 42 | 28.2 |
| Construction | 30 | 15.2 | 47 | 21.4 | 31 | 15.2 | 21 | 11.7 | 28 | 14.0 | 34 | 23.6 | 22 | 14.8 |
| Mines, quarries and oil wells | 33 | 16.7 | 20 | 9.1 | 22 | 10.8 | 15 | 8.4 | 23 | 11.5 | 18 | 12.5 | 24 | 16.1 |
| Transportation and communications | 25 | 12.6 | 38 | 17.3 | 36 | 17.7 | 36 | 20.1 | 25 | 12.5 | 16 | 11.1 | 18 | 12.1 |
| Public administration and defence | 21 | 10.6 | 15 | 6.8 | 10 | 4.9 | 13 | 7.3 | 11 | 5.5 | 13 | 9.0 | 11 | 7.4 |
| Trade, wholesale and retail | 26 | 13.2 | 13 | 5.9 | 16 | 7.8 | 17 | 9.5 | 15 | 7.5 | 11 | 7.6 | 15 | 10.1 |
| Service | 9 | 4.5 | 15 | 6.8 | 22 | 10.8 | 13 | 7.3 | 17 | 8.5 | 8 | 5.6 | 7 | 4.7 |
| Agriculture | 5 | 2.5 | 7 | 3.2 | 11 | 5.4 | 5 | 2.8 | 9 | 4.5 | 5 | 3.5 | 4 | 2.7 |
| Finance, insurance and real estate | 0 | 0.0 | 3 | 1.3 | 0 | 0.0 | 1 | 0.5 | 1 | 0.5 | 3 | 2.1 | 0 | 0.0 |
| Forestry | 9 | 4.5 | 6 | 2.7 | 6 | 2.9 | 8 | 4.5 | 7 | 3.5 | 2 | 1.4 | 5 | 3.3 |
| Fishing and trapping | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 | 3 | 1.5 | 0 | 0.0 | 1 | 0.0 |
| Unknown | 1 | 0.5 | 5 | 2.3 | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 | 0 | 0.0 |
| Total claims | 198 | 100.0 | 220 | 100.0 | 204 | 100.0 | 179 | 100.0 | 200 | 100.0 | 144 | 100.0 | 149 | 100.0 |

FINANCIAL STATEMENTS

WORKERS' COMPENSATION BOARD FINANCIAL STATEMENTS

Year Ended December 31, 1986

CONTENTS

| | |
|---|----|
| Auditor's Opinion | 21 |
| Consulting Actuary's Report | 22 |
| Balance Sheet — Schedule 1 Accident Fund | 23 |
| Statement of Income, Expenses and Unfunded Liability — Schedule 1 Accident Fund | 23 |
| Statement of Changes in Financial Position — Schedule 1 Accident Fund | 24 |
| Balance Sheet — Schedule 2 | 25 |
| Statement of Changes in Net Deposits — Schedule 2 | 25 |
| Notes to the Financial Statements | 26 |
| Accident Prevention Expenses — Schedule 1 Accident Fund | 29 |
| Administration Expenses — Schedule 1 Accident Fund | 29 |

WORKERS' COMPENSATION BOARD SUPERANNUATION FUND FINANCIAL STATEMENTS

Year Ended December 31, 1986

CONTENTS

| | |
|--|----|
| Auditor's Opinion | 30 |
| Balance Sheet | 31 |
| Statement of Transactions and Fund Balance | 31 |
| Notes to the Financial Statements | 32 |



Ontario

OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas St. West

Toronto, Ontario M5G 2C2

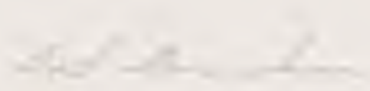
(416) 974-9866

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheets — Schedule 1 Accident Fund and Schedule 2 of the Workers' Compensation Board as at December 31, 1986 and the statements of income, expenses and unfunded liability — Schedule 1 Accident Fund and of changes in financial position — Schedule 1 Accident Fund and of changes in net deposits — Schedule 2 for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances; the estimated present value of future payments to existing Schedule 1 claimants was determined by the Board's Actuary and reviewed by an independent consulting actuary.

In my opinion, based on my examination and the report of the independent consulting actuary, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations and the changes in its financial position and net deposits for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
May 8, 1987.


D. F. Archer, F.C.A.,
Provincial Auditor.

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1 Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1986

The estimated present value of future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1986 in the amount of \$9.12 billion has been determined by the Board's Staff Actuaries, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1986. Full provision has been made for potential future increases in the covered earnings ceiling and the level of pensions and temporary compensation resulting from the amendments to the Act contained in Bill 81 by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation.

The present value includes the estimated present value of additional payments resulting from the amendments to the Act contained in Bill 101. Although it was necessary to use a number of approximations in estimating this amount, the effect of these approximations is not material for the purposes of the valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

We understand that certain decisions rendered by the Workers' Compensation Appeals Tribunal (WCAT), which came into effect in October 1985, may have the effect of altering the adjudication of Workers' Compensation claims. Such changes in the adjudication of claims could result in a significant increase in the present value of future payments under Schedule 1 on account of accidents which occurred in past years. It is not possible to quantify at this time the potential increase in the present value of future payments, because of the uncertain future resolution of these decisions and the limited amount of available data.

In our opinion, which includes the foregoing comments, the amount of \$9.12 billion as at December 31, 1986 makes reasonable provision for future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1986.

Samuel Eckler, F.S.A., F.C.I.A.

David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of
Eckler Partners Ltd.

May 8, 1987.

BALANCE SHEET — SCHEDULE 1 ACCIDENT FUND

December 31, 1986

| ASSETS | 1986 | (5000's) | 1985 |
|---|---------------------|----------|---|
| Cash | \$ 6,724 | | \$ 1,457 |
| Investments (Note 3) | 2,333,626 | | 1,914,213 |
| Other assets (Note 4) | 621,430 | | 563,381 |
| Fixed assets (Note 5) | 18,116 | | 16,276 |
| | <u>\$ 2,979,896</u> | | <u>\$ 2,495,327</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges (Note 6) | \$ 63,074 | | \$ 56,129 |
| Estimated present value of future payments to existing Schedule 1 claimants | 9,124,000 | | 7,820,000 |
| | <u>9,187,074</u> | | <u>7,876,129</u> |
| Contingent liability (Note 7) | | | |
| Unfunded liability | (6,207,178) | | (5,380,802) |
| | <u>\$ 2,979,896</u> | | <u>\$ 2,495,327</u> |
| Approved by the Board | | | |
| Chairman | | | Vice-Chairman of Administration and President |

STATEMENT OF INCOME, EXPENSES AND UNFUNDED LIABILITY — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

| INCOME | 1986 | (5000's) | 1985 |
|---|----------------------|----------|----------------------|
| Assessments and penalties (net of uncollectible assessments 1986 - \$32,943; 1985 - \$27,987) | \$ 1,597,038 | | \$ 1,301,121 |
| EXPENSES | | | |
| Benefits (Note 8) | 1,123,007 | | 987,945 |
| Accident prevention | 39,322 | | 35,266 |
| Administration | 130,821 | | 113,323 |
| Medical and rehabilitation services | 26,690 | | 24,380 |
| Legislated obligations (Note 10) | 16,331 | | 6,900 |
| | <u>1,336,171</u> | | <u>1,167,814</u> |
| Excess of income over expenses before investment income | 260,867 | | 133,307 |
| Investment income — (Note 9) | 216,757 | | 186,366 |
| Excess of income over expenses before provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 477,624 | | 319,673 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,304,000 | | 1,130,000 |
| Excess of expenses over income | (826,376) | | (810,327) |
| Unfunded liability, beginning of year | (5,380,802) | | (4,570,475) |
| Unfunded liability, end of year | <u>\$(6,207,178)</u> | | <u>\$(5,380,802)</u> |

STATEMENT OF CHANGES IN FINANCIAL POSITION — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

| | 1986 | (5000's) | 1985 |
|--|------------------|----------|------------------|
| CASH PROVIDED BY OPERATIONS | | | |
| Excess of expenses over income | \$ (826,376) | | \$ (810,327) |
| Items not requiring an outlay of cash | | | |
| Amortization of losses on long-term investments | 6,233 | | 6,237 |
| Amortization of discounts on long-term investments | (7,111) | | (1,955) |
| Depreciation and amortization of fixed assets | 2,485 | | 2,886 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,304,000 | | 1,130,000 |
| Increase in other assets | (58,049) | | (125,860) |
| Increase in accounts payable and accrued charges | 6,945 | | 12,078 |
| | <u>428,127</u> | | <u>213,059</u> |
| CASH USED FOR INVESTING ACTIVITIES | | | |
| Increase in investments (excluding amortization of losses and discounts) | (418,535) | | (213,584) |
| Purchase of fixed assets | (4,325) | | (637) |
| | <u>(422,860)</u> | | <u>(214,221)</u> |
| Increase (decrease) in cash | 5,267 | | (1,162) |
| Cash balance, beginning of year | 1,457 | | 2,619 |
| Cash balance, end of year | <u>\$ 6,724</u> | | <u>\$ 1,457</u> |

BALANCE SHEET — SCHEDULE 2

December 31, 1986

| ASSETS | 1986 | (S000's) | 1985 |
|--------------------------------|---|----------|-----------------|
| Cash | \$ 562 | | \$ 694 |
| Investments | 12,065 | | 11,862 |
| Due from Schedule 1 | 240 | | — |
| Interest and other receivables | 408 | | 291 |
| | \$13,275 | | \$12,847 |
| LIABILITIES | | | |
| Due to Schedule 1 | \$ — | | \$ 286 |
| Net deposits | 13,275 | | 12,561 |
| | \$13,275 | | \$12,847 |
| Approved by the Board | | | |
| Chairman | Vice-Chairman of Administration and President | | |

STATEMENT OF CHANGES IN NET DEPOSITS — SCHEDULE 2

Year Ended December 31, 1986

| INCREASE IN DEPOSITS | 1986 | (S000's) | 1985 |
|---------------------------------|------------------|----------|-----------------|
| Reimbursements from employers | | | |
| Benefits | \$ 98,500 | | \$85,583 |
| Administration costs | 16,960 | | 12,589 |
| Investment and penalty income | 1,945 | | 1,656 |
| Interest income on deposits | 105 | | 73 |
| | 117,510 | | 99,901 |
| DECREASE IN DEPOSITS | | | |
| Benefits to workers | | | |
| Compensation | 41,596 | | 34,373 |
| Health care | 15,027 | | 14,137 |
| Rehabilitation | 1,674 | | 1,305 |
| Pensions | 39,780 | | 34,416 |
| Administration costs | 16,960 | | 12,589 |
| Interest expense on deposits | 1,759 | | 1,559 |
| | 116,796 | | 98,379 |
| Increase in net deposits | 714 | | 1,522 |
| Net deposits, beginning of year | 12,561 | | 11,039 |
| Net deposits, end of year | \$ 13,275 | | \$12,561 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared using the accrual method of accounting except for Schedule 2 benefit payments and their related reimbursements which are accounted for on the cash basis.

Investments

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold and 20 years. Short-term investments are carried at cost.

Fixed assets

Fixed assets are stated at cost. Buildings, equipment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Equipment purchases with a unit cost of \$1,000 or less and leasehold improvements with a unit cost of \$5,000 or less are expensed.

Assessment income

Assessment income is determined on the basis of provisional payrolls reported by employers. At year end, an accrual is calculated to give effect to the additional assessment revenue anticipated as a result of the actual payrolls being greater than provisional.

Estimated present value of future payments to existing Schedule 1 claimants

The estimated present value of future payments to existing Schedule 1 claimants is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

2. SCHEDULE 1 AND SCHEDULE 2

Schedule 1 relates to industries where the employers are liable to contribute to the accident

fund and Schedule 2 relates to industries where the employers are individually liable to pay

compensation, health care, rehabilitation costs and pensions.

3. INVESTMENTS

| | 1986 | (5000's) | 1985 |
|---|--------------------|----------|--------------------|
| Bonds | \$1,560,542 | | \$1,365,500 |
| Mortgages | 419,360 | | 398,510 |
| Equities | 132,330 | | — |
| | <u>2,112,232</u> | | <u>1,764,010</u> |
| Unamortized portion of realized losses, net of gains, on sale of investments | 25,397 | | 28,350 |
| | <u>2,137,629</u> | | <u>1,792,360</u> |
| Short-term | 195,997 | | 121,853 |
| | <u>\$2,333,626</u> | | <u>\$1,914,213</u> |

4. OTHER ASSETS

| | 1986 | (5000's) | 1985 |
|----------------------------------|-------------------|----------|-------------------|
| Accrued investment income | \$ 45,229 | | \$ 41,269 |
| Accrued assessment income | 110,000 | | 150,000 |
| Assessment and other receivables | 462,357 | | 367,628 |
| Due from Schedule 2 | — | | 286 |
| Prepaid expenses | 3,844 | | 4,198 |
| | <u>\$ 621,430</u> | | <u>\$ 563,381</u> |

5. FIXED ASSETS

(\$000's)

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
|------------------------|-----------------|--|-------------------|--|
| Land | \$ 6,754 | \$ — | \$ 6,754 | — |
| Buildings | 11,070 | 6,254 | 4,816 | 2 ½ % |
| Leasehold improvements | 4,889 | 2,486 | 2,403 | 10 % |
| Equipment | 16,369 | 13,017 | 3,352 | 20 % |
| Motor vehicles | 1,717 | 926 | 791 | 25 % |
| | \$40,799 | \$22,683 | \$18,116 | |

6. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 1986 | (S000's) | 1985 |
|--------------------------------------|-----------------|----------|-----------------|
| Accounts payable and accrued charges | \$35,309 | | \$32,342 |
| Cheques issued and not yet cashed | 27,525 | | 23,787 |
| Due to Schedule 2 | 240 | | — |
| | \$63,074 | | \$56,129 |

7. CONTINGENT LIABILITY

Certain decisions rendered by the Workers' Compensation Appeals Tribunal, which came into effect in October 1985, may have the effect of altering the adjudication of workers' compensation claims. Such changes in the

adjudication of claims could result in a significant increase in the present value of future payments under Schedule 1 on account of accidents which occurred in past years. It is not possible to quantify at this time the potential increase

in the present value of future payments to existing Schedule 1 claimants, because of the uncertain future resolution of these decisions and the limited amount of available data.

8. BENEFIT EXPENSES

| | 1986 | (S000's) | 1985 |
|------------------------------------|--------------------|----------|------------------|
| Compensation | \$ 586,898 | | \$515,204 |
| Health care | 148,253 | | 138,970 |
| Rehabilitation | 29,959 | | 23,597 |
| Pensions | 359,858 | | 312,343 |
| | 1,124,968 | | 990,114 |
| Less: recovered from third parties | 1,961 | | 2,169 |
| | \$1,123,007 | | \$987,945 |

9. INVESTMENT INCOME

| | 1986 | (S000's) | 1985 |
|---|------------------|----------|------------------|
| Investment income | \$223,518 | | \$193,046 |
| Less: | | | |
| Amortization of losses, net of gains, on sale of investments | 6,233 | | 6,237 |
| Investment administration expenses | 528 | | 443 |
| | \$216,757 | | \$186,366 |

10. LEGISLATED OBLIGATIONS

| | 1986 | (5000's) | 1985 |
|--|----------|----------|---------|
| Occupational Health and Safety Act | \$ 6,753 | | \$5,377 |
| Mine rescue | 876 | | 781 |
| Workers' Compensation Appeals Tribunal | 5,537 | | 627 |
| Workers' and Employers' Adviser | 3,165 | | 115 |
| | \$16,331 | | \$6,900 |

11. LEASE COMMITMENTS

The Board rents office space under operating lease arrangements having various expiry dates. The aggregate minimum annual rental under these arrangements for the next five years is as follows:

| | (5000's) | | (5000's) |
|------|----------|------|----------|
| 1987 | \$8,149 | 1990 | \$6,519 |
| 1988 | \$7,837 | 1991 | \$6,085 |
| 1989 | \$7,411 | | |

12. SUPERANNUATION FUND

The Board has a benefit-based pension plan, the Superannuation Fund, for its employees and employees of the provincial safety associations. The accounts of the Fund are included in separate financial statements. An actuarial

valuation as at December 31, 1986 is currently in progress. The most recent triennial actuarial valuation as at December 31, 1983 determined that this Fund was in a surplus position.

13. REMUNERATION OF APPOINTEES

The total remuneration of members of the Board of Directors was \$215,114 during the year.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

ACCIDENT PREVENTION EXPENSES — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

| BY CATEGORY | 1986 | (5000's) | 1985 |
|--|-----------------|----------|-----------------|
| Salaries and employees' benefits | \$21,075 | | \$19,246 |
| Travel and vehicle maintenance | 2,973 | | 2,850 |
| Supplies and services | 666 | | 648 |
| Equipment rental and maintenance | 752 | | 653 |
| Depreciation of equipment | 288 | | 293 |
| Occupancy costs | 2,089 | | 1,754 |
| Security services and insurance | 52 | | 63 |
| Communications and publications | 9,528 | | 8,006 |
| Other | 1,899 | | 1,753 |
| | \$39,322 | | \$35,266 |
| BY SAFETY ASSOCIATION/AUTHORITY | | | |
| Construction Safety Association of Ontario | \$ 8,731 | | \$ 8,112 |
| Electrical Utilities Safety Association of Ontario | 1,593 | | 1,394 |
| Forest Products Accident Prevention Association | 1,376 | | 1,304 |
| The Farm Safety Association Inc. | 915 | | 862 |
| Health Care Occupational Health & Safety Association | 1,868 | | 1,633 |
| Industrial Accident Prevention Association | 15,427 | | 15,226 |
| Mines Accident Prevention Association of Ontario | 2,214 | | 1,997 |
| Ontario Pulp & Paper Makers Safety Association | 671 | | 626 |
| Transportation Safety Association of Ontario | 1,235 | | 1,101 |
| Occupational Health and Safety Education Authority | 5,292 | | 3,011 |
| | \$39,322 | | \$35,266 |

ADMINISTRATION EXPENSES — SCHEDULE 1 ACCIDENT FUND

Year Ended December 31, 1986

| | 1986 | (5000's) | 1985 |
|---|------------------|----------|------------------|
| Salaries and employees' benefits | \$125,214 | | \$107,757 |
| Travel and vehicle maintenance | 3,827 | | 2,974 |
| Supplies and services | 3,194 | | 3,482 |
| Equipment rental and maintenance | 13,900 | | 8,978 |
| Depreciation of equipment | 419 | | 1,964 |
| Occupancy costs - net | 10,678 | | 9,740 |
| Security services and insurance | 1,272 | | 721 |
| Data processing costs | 2,542 | | 1,940 |
| Communications and publications | 9,212 | | 9,650 |
| Chest examining station costs | 943 | | 882 |
| Credit reports and legal expenses | 787 | | 816 |
| Professional fees and services | 1,147 | | 770 |
| Other | 3,422 | | 2,587 |
| | 176,557 | | 152,261 |
| Less administration expenses charged to: | | | |
| Investment income | 528 | | 443 |
| Downsview Rehabilitation Centre (included in Health care expenses - Note 8) | 1,558 | | 1,526 |
| Medical and rehabilitation services | 26,690 | | 24,380 |
| Schedule 2 | 16,960 | | 12,589 |
| | 45,736 | | 38,938 |
| Net charge to statement of income, expenses and unfunded liability - Schedule 1 Accident Fund | \$130,821 | | \$113,323 |



Ontario

OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas St. West
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Workers' Compensation Board
and to the Minister of Labour.

I have examined the balance sheet of the Workers' Compensation Board Superannuation Fund as at December 31, 1986 and the statement of transactions and fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1986 and changes in its fund balance for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
May 8, 1987.


D. F. Archer, F.C.A.,
Provincial Auditor.

BALANCE SHEET — SUPERANNUATION FUND

December 31, 1986

| ASSETS | 1986 | (S000's) | 1985 |
|--------------------------------------|------------------|----------|------------------|
| Cash | \$ 257 | | \$ 268 |
| Investments (Note 3) | 198,020 | | 175,418 |
| Investment income receivable | 3,831 | | 3,180 |
| Accounts receivable | 164 | | 276 |
| | \$202,272 | | \$179,142 |
| LIABILITY AND FUND BALANCE | | | |
| Accounts payable and accrued charges | \$ 572 | | \$ 285 |
| Fund balance | 201,700 | | 178,857 |
| | \$202,272 | | \$179,142 |

Approved by the Board

Chairman

Vice-Chairman of Administration and President

STATEMENT OF TRANSACTIONS AND FUND BALANCE — SUPERANNUATION FUND

Year Ended December 31, 1986

| CONTRIBUTIONS RECEIVED FROM | 1986 | (S000's) | 1985 |
|--|------------------|----------|------------------|
| The Board and the Safety Associations | \$ 5,586 | | \$ 4,928 |
| The employees of the Board and the Safety Associations | 4,992 | | 4,628 |
| | 10,578 | | 9,556 |
| INVESTMENT INCOME | 19,406 | | 16,330 |
| | 29,984 | | 25,886 |
| DEDUCT | | | |
| Pensions paid | 6,169 | | 5,089 |
| Contributions plus interest refunded to staff | 972 | | 806 |
| | 7,141 | | 5,895 |
| Increase in the fund for the year | 22,843 | | 19,991 |
| Fund balance, beginning of year | 178,857 | | 158,866 |
| Fund balance, end of year (Note 4) | \$201,700 | | \$178,857 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

Investments

Investments are carried at amortized cost for bonds, and cost for mortgages, equities and short-term paper.

Gains or losses realized on the sale of investments are included in investment income on the statement of transactions and fund balance.

Translation of foreign currency

U.S. dollar accounts, where applicable, in these financial statements are translated into Canadian dollars on the following basis:

(a) Investments — at the rates of exchange prevailing when the investments were acquired.

(b) Investment income — at the rates of exchange prevailing on the dates of the transactions.

2. SUPERANNUATION FUND

The Superannuation Fund is a benefit-based pension plan for the employees of the Workers' Compensation Board and employees of the provincial Safety Associations.

3. INVESTMENTS

| | 1986 | | 1985 | |
|------------|-----------|--------------|-----------|--------------|
| | Cost | Market Value | Cost | Market Value |
| Bonds | \$ 97,738 | \$104,564 | \$ 82,430 | \$ 88,363 |
| Mortgages | 29,794 | 29,794 | 29,247 | 29,247 |
| Equities | 67,459 | 116,536 | 61,544 | 100,747 |
| | 194,991 | 250,894 | 173,221 | 218,357 |
| Short-term | 3,029 | 3,029 | 2,197 | 2,197 |
| | \$198,020 | \$253,923 | \$175,418 | \$220,554 |

4. ACTUARIAL VALUATION

The actuarial valuation for December 31, 1986 is in progress but not yet finalized.

The most recent triennial actuarial valuation as at December 31, 1983 determined that the Fund was in a surplus position.

BOARD OF DIRECTORS

Robert G. Elgie, M.D., Q.C., F.R.C.S.(C)
Chairman of the Board

Alan D. Wolfson, Ph.D.
*Vice-Chairman of Administration
and President,
Workers' Compensation Board*

Charles "Bud" Clark*
*Canadian Director,
Amalgamated Clothing and Textile
Workers Union*

E. Gérard Docquier
*National Director for Canada,
United Steelworkers of America*

Joseph Duffy
*Business Manager and Secretary-Treasurer,
Provincial Building and Construction
Trades Council of Ontario*

Stephen S. Hessian
*Resident Manager,
Domtar Inc.
Packaging Containerboard Division*

Silvia Mecozzi, Ph.D.
Social Worker

Douglas D. Peters, Ph.D.
*Senior Vice-President and Chief
Economist,
Toronto Dominion Bank*

The Honourable Robert Stanbury,
P.C., Q.C.
*Chairman and Chief Executive Officer,
Globescop Inc.*

Clara Wiborg de Carvalho
Family Support Worker and Counsellor

Ex Officio Member:

S. Ronald Ellis, Q.C.
Chairman,

Workers' Compensation Appeals Tribunal

OFFICERS

Robert G. Elgie, M.D.
Chairman

Alan D. Wolfson**
*Vice-Chairman of Administration
and President*

Alan G. MacDonald**
*Vice-Chairman of Administration and
President*

Robert D. Reilly
*Vice-President,
Client Services Division*

Elizabeth A. Kaegi, M.D.***
*Vice-President,
Policy and Specialized Services Division*

Sam Van Clieaf
*Acting Vice-President,
Corporate Services Division*

* Deceased December 6, 1986.

** Alan Wolfson assumed the position of
Vice-Chairman of Administration and
President in September 1986, on the
retirement of Alan G. MacDonald.

*** Dr. Kaegi was a member of the WCB's
Board of Directors until June 1986, when
she assumed the position of Vice-President,
Policy and Specialized Services Division.



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

CA 20N
L 90
- A56

Workers' Compensation Board



*Annual
Report
1987*

1987 Annual Report

The Workers' Compensation Board is a statutory corporation created by an Act of the Ontario legislature in 1914. It is responsible for administering the *Workers' Compensation Act* and *Regulations* of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment of health care expenses, payment for loss of wages that may result from the injury or disease, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a wide variety of accident prevention activities and funds the 10 delivery agencies.

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1987.

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C), Chairman

CONTENTS

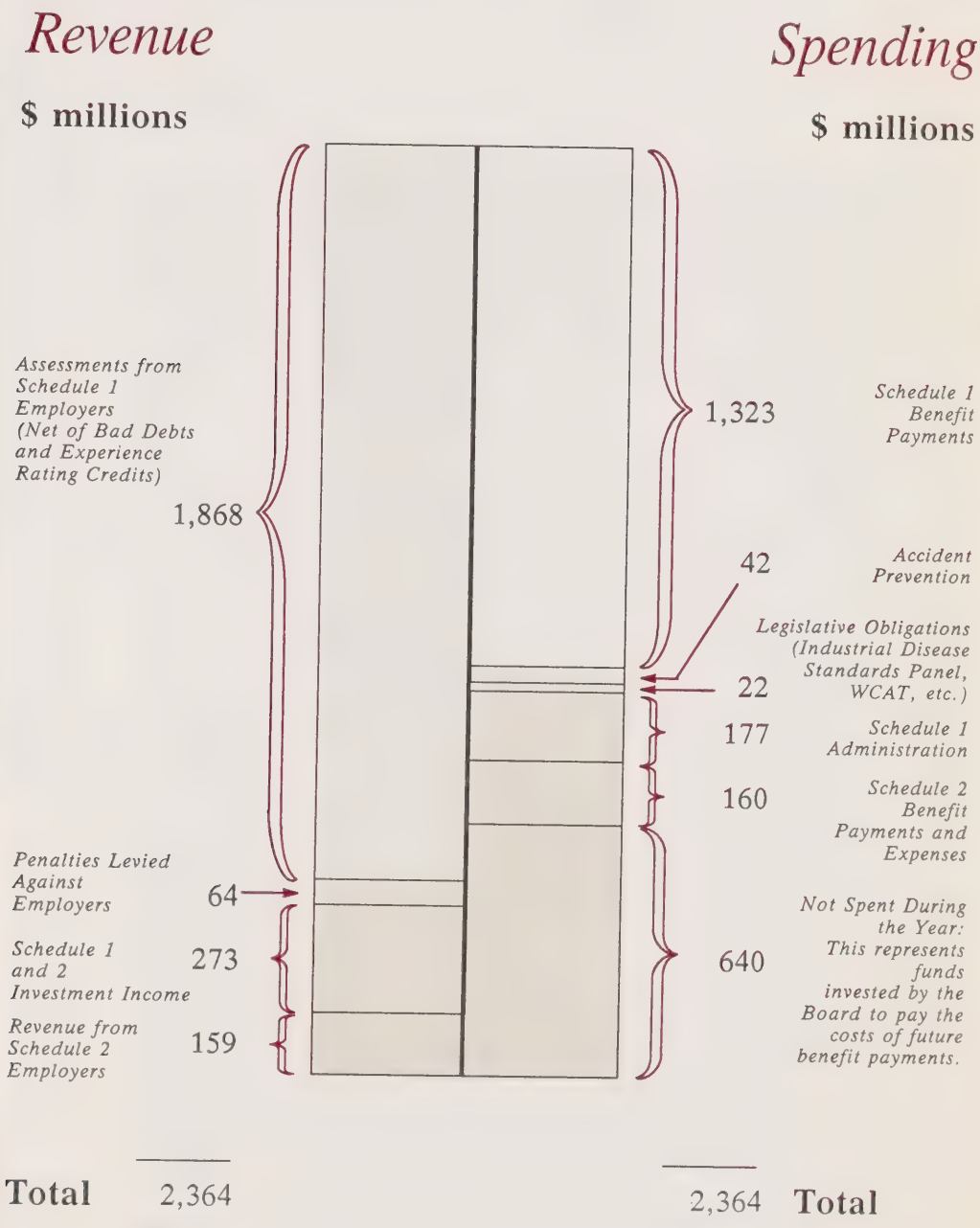
| | |
|----------------------------|----|
| Summary of Operations | 1 |
| Chairman's Message | 2 |
| Board of Directors | 4 |
| Executive Committee Report | 5 |
| Facts and Figures | 22 |
| Financial Report | 35 |

Si vous désirez obtenir un exemplaire du
Rapport annuel de 1987 en français,
veuillez vous adresser à la
Commission des accidents du travail,
Direction des communications,
2, rue Bloor Est,
Toronto (Ontario),
M4W 3C3.
Téléphone : (416) 927-3500.

Workers' Compensation Board – Summary of Operations

YEAR ENDED DECEMBER 31, 1987

The following shows the principal sources of 1987 revenue, which totalled almost \$2.4 billion, and where it went:



Schedule 1 refers to employers who are insured through collective liability and
Schedule 2 refers to employers who are self-insured.

Chairman's Message

I am pleased to report on a landmark year for the Workers' Compensation Board, a turning point in our 73-year history of service to the injured workers and employers of Ontario.

Following on the reorganizational initiatives approved in 1986, which proposed an improved and integrated delivery of



Robert G. Elgie

service to our clients, the Board has implemented a number of sweeping changes which have transformed the structure of our operations and the way we do business.

These changes, which commenced in late 1986 and continued throughout 1987 and into early 1988, have been realized both at the Board's Toronto Head Office and in our network of regional offices across Ontario. As a result, injured workers and employers throughout the province will now have access to service which I believe will be more personal, more timely, and more appropriate and responsive to their individual needs.

It has been my pleasure during 1987 to work with the Board of Directors in overseeing the implementation of our internal reorganization, the expansion of our services provincewide, and in participating in the development and delivery of workers' compensation policies and programs.

I was deeply saddened by the recent death of one of the members of the Board of Directors, Ms. Clara Wiborg de Carvalho. A family support worker and counsellor, Ms. Carvalho had served on the Board as a worker representative since its inception in October, 1985.

I am pleased, however, to welcome three new members to the Board of Directors in 1987. Mr. Donald Holder, vice-president of the Ontario Federation of Labour, was appointed to the Board in January, 1987 as a representative of workers. Mr. Paul Richards, who is president of a number of companies in Ontario, took a seat on the Board in June as a representative of small business and professionals. Ms. Almerinda Rebelo, who is the coordinator of Toronto's Parkdale Community Health Centre, was appointed to the Board in September as representative of workers.

The Workers' Compensation Board has emerged from the last two years with a clear purpose — a more efficient and effective operation, with a steadfast commitment to the best possible service for our clients within a context of sound financial management. These are important developments, and I would like to acknowledge the considerable efforts made by all Board staff who assisted in this transition.

The year 1987 also represented a further stage in the evolution of the restructured workers' compensation system, brought about by legislative reform in 1985. Each year of additional experience in the operation of the new institutions created at that time — an external WCB Board of Directors, the Workers' Compensation Appeals Tribunal, the Industrial Disease Standards Panel, the Office of the Worker Adviser, and the Office of the Employer Adviser — brings us one step closer to full realization of the new system envisioned by the legislators.

There is still some way to go before the system reaches full maturity, and the journey to date has not been without its attendant problems, but there have also been a number of encouraging signs. Each of the new bodies has gradually developed its own mode of operation and, as a result of their interaction, new priorities and a new sense of internal balance and discipline has been imposed upon the workers' compensation system. All of this augurs well, in my view, for its future development.

Looking ahead to 1988, I am confident that, together, we will make further advances in the provision of programs and services which uphold our standards of excellence and the long tradition of workers' compensation in this province.

On behalf of the Board of Directors,

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C)
Chairman of the Board

Board of Directors



Front Row (l. to r.): Almerinda Rebelo, Robert Elgie, Alan Wolfson, Silvia Mecozzi. Second Row: Ronald Ellis, Robert Stanbury, Douglas Peters, Paul Richards, Stephen Hessian, Joseph Duffy, Donald Holder. Inset: E. Gérard Docquier.

BOARD OF DIRECTORS

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C)
Chairman of the Board

Alan D. Wolfson, Ph.D.
*Vice-Chairman of Administration and President,
Workers' Compensation Board*

E. Gérard Docquier
*National Director for Canada,
United Steelworkers of America*

Joseph Duffy
*Business Manager and Secretary-Treasurer,
Provincial Building and Construction Trades Council of Ontario*

Stephen S. Hessian
*Resident Manager,
Domtar Inc.*

Donald Holder
*Vice-President,
Ontario Federation of Labour*

Silvia Mecozzi
Social Worker

Douglas D. Peters, Ph.D.
*Senior Vice-President and Chief Economist,
Toronto Dominion Bank*

Almerinda M. Rebelo, C.S.W.
*Coordinator,
Parkdale Community Health Centre*

Paul Richards
*President,
Johns Scientific Inc.*

Hon. Robert Stanbury, P.C., Q.C.
*Counsel,
Inch, Easterbrook & Shaker*

S. Ronald Ellis, Q.C.
*Ex Officio Member
Chairman,
Workers' Compensation Appeals Tribunal*

Executive Committee Report

The year 1987 was one of substantial change and significant progress for the Workers' Compensation Board. A major reorganization of its structure and operations was successfully implemented, with a view to improving services to the Board's clients and streamlining the way it does business. In addition, a number of important policy and program initiatives were undertaken.

MAJOR ORGANIZATIONAL CHANGES

While reorganization affected each of the Board's four Divisions — Client Services, Policy and Specialized Services, Corporate Services, and Strategic Policy and Analysis — perhaps the most immediate and visible impact on the Board's client groups arose out of changes made within the Client Services Division. These affected the delivery of services both in the Board's regional and Head Office operations.

The Board has significantly changed the nature and scope of its network of

regional offices. The opening of full-service offices in Hamilton and Thunder Bay in 1986 — to add to those already operating in London and Sudbury — and the further addition of an office in Ottawa in 1987, has resulted in a considerable increase in the volume of claims handled by the regional offices. Their share of total claims processed has increased from 10.5 per cent in 1985 to 36.1 per cent in 1987. With the opening of a sixth regional office in Windsor in early 1988, approximately 50 per cent of all claims are now handled in the regions.

The Board's fifth full-service regional office opened in Ottawa in May, 1987. For injured workers, employers and health care professionals in the regional municipality of Ottawa-Carleton and the surrounding counties, it has provided access to more personal, timely and responsive service that is sensitive to the needs of the local community.

The Windsor Regional Office, which became operational in February, 1988, is a prototype, with an organizational structure drawn from certain features of both the existing regional offices and from the recent structural realignment at the Toronto Head Office. The Windsor Office will be monitored through an ongoing process of evaluation over its first year of operation in order to determine the feasibility of extending its organizational structure to the Board's other regional offices.

Of the almost 470,000 new claims reported to the Board provincially in 1987, approximately 300,000, or 64 per cent, were registered at Head Office, while the remaining 170,000 claims were filed in regional offices. In round figures, the Hamilton Regional Office handled 73,000 claims in 1987, London 31,000, Sudbury 16,000, Thunder Bay 14,000,

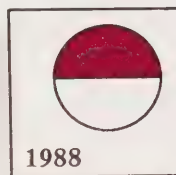
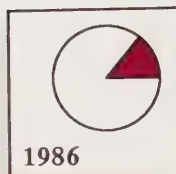


EXECUTIVE COMMITTEE: Sitting (l. to r.) — Robert Reilly, Robert Elgie, Alan Wolfson, Elizabeth Kaegi. Standing — Linda Angove, Sam Van Clieaf, Robert Coke.

*Increasing Volume
of New Claims
Processed in the
Regions . . .*

**PROPORTION OF NEW CLAIMS SERVED BY
REGIONAL OFFICES,
1985-1988***

Total New Claims



■ Regional Offices □ Head Office

1985 Regional Offices - London, Sudbury

1986 Regional Offices - London, Sudbury,
Hamilton (2 months),
Thunder Bay (1 month)

1987 Regional Offices - London, Sudbury,
Hamilton, Thunder Bay,
Ottawa (8 months)

1988 Regional Offices - London, Sudbury,
Hamilton, Thunder Bay,
Ottawa,
Windsor (11 months)

* 1988 based on estimated figures.

and Ottawa 36,000 in the eight months of the year that it was operational. It is estimated that, over the course of a full calendar year, the Ottawa Regional Office will handle approximately 10 per cent of all claims filed with the Board.

The Board announced the transfer of caseloads for the Lambton County and Sarnia areas, currently involving approximately 400 active compensation claims, to the London Regional Office. It was also decided that caseloads within the electoral districts of Cochrane, Timiskaming and Nipissing in the North Bay and Timmins areas should be assigned to the Sudbury Regional Office, given the common economic base of these communities and their accessibility to the city of Sudbury.

A major reorganization also occurred in the provision of claims and related services within the Toronto Head Office. The claims and health care adjudication,

medical and vocational rehabilitation functions, once conducted as distinct and separate entities, have been drawn together in a series of Integrated Service Units (or ISUs), in order to provide more personal, responsive and efficient service to the Board's clients — the injured workers and employers of Ontario.

The eight ISUs are small self-contained operational units, each located on one floor of the Board's Head Office building. Claims are allocated to each ISU on the basis of the employer's postal code. Their purpose is to promote and facilitate more effective liaison between the providers of claims adjudication, health care and rehabilitation services, to increase their familiarity with their particular client groups, and to reduce the need to pass claim files between different sections of the Board.

It is anticipated that the new structure will result in service which is more efficient and responsive to client needs. It will also help to foster increased employer involvement in the rehabilitation process, as a means of securing an early return to work for injured workers.

Seven of the Integrated Service Units established at Head Office — Central Ontario East, Toronto East, Toronto North, Toronto West, Central Ontario West, Central Ontario South, and Toronto South — are responsible for specific geographic regions within the central core of the province not serviced by any of the Board's regional offices. The eighth ISU is organized on industrial rather than geographic lines, and is responsible for the construction industry throughout Central Ontario.

The first ISU to become operational, Central Ontario East, commenced service in September, 1987. By the end of the year, five units were providing services to Board clients. They were joined by the remaining three units — Central Ontario South, Toronto South, and the Construction ISU — in the first two months of 1988. At full strength, the ISUs will handle approximately one-half of the Board's total claims.

In parallel with the reorganization of the Board's operations, a Management Development Program was inaugurated for Board staff assuming managerial positions within the new structure. The program is designed to promote a broader understanding of the various components of the workers' compensation system and to improve management techniques.

MAJOR POLICY AND PROGRAM DEVELOPMENTS

During 1987, the Board of Directors oversaw the development of workers' compensation policies and programs by addressing a number of issues affecting injured workers, employers, health care professionals, and the management of the Board.

The Board adjusted its policy on the interpretation and application of Section 45(5) of the *Workers' Compensation Act*, which governs the payment of supplements to permanent partial disability pension recipients.

A review of supplements policy had been prompted by a number of expressed concerns and uncertainties associated with the way the relevant statutory provisions had previously been administered. Professor Paul Weiler, in his third report, published in late 1986, noted that there had been a significant change over time in the adjudication of permanent partial disability pensions and supplements, without any corresponding change in the statute itself or in the Board's formal policy.

In May, 1987, in Decision No. 915, the Workers' Compensation Appeals Tribunal (WCAT) raised further questions concerning the interpretation of Section 45(5), focusing on the apparent lack of congruity between the Board's policy and practice. It pointed to the need for the Board to make a clear decision between two alternatives — the practice of continuing supplements as long as a disability-related earnings loss persisted, and the written policy of limiting supplements to a three-year maximum time limit.

Prior to the 1985 statutory amendment indexing pre-injury earnings for purposes of determining entitlement to a supplement, the distinction between policy and practice had been less acute. Loss of earnings was measured by comparing a fixed level of pre-injury earnings with post-injury earnings which tended to rise in line with inflation. As a result, earnings loss often failed to continue beyond the three-year period. Following the statutory change, this was no longer necessarily the case.

These concerns, and the perceived need to inject a greater degree of consistency into the granting of awards, justified the need for a review. In the course of that review, it became clear that, over the years, the interpretation of Section 45(5) which had gradually emerged was not consistent with the wording of the legislation itself. The amended policy brings the Board's interpretation and administration of the Section in line with the intent of the *Act*, by ensuring that supplements are awarded on a temporary basis in support of vocational rehabilitation programs.

Chronic pain disorder was recognized by the Board as a compensable condition in 1987 — with Ontario thus becoming the first jurisdiction in Canada to do so. In light of considerable evidence and opinion, the Board of Directors accepted in principle that compensation should be paid for genuine chronic pain disorder resulting from a work-related injury. In July, a chronic pain disorder policy, including an appropriate rating schedule, was adopted on an interim basis for a one-year period, following which a decision will be made on how to proceed in the future.

The Board also broke new ground in the field of industrial disease with its recognition of the relationship between gold mining and the incidence of lung cancer among gold miners. On the basis of recommendations by the independent Industrial Disease Standards Panel, and by a second panel chaired by Dr. Anthony Miller of the University of Toronto, an interim policy establishing criteria for entitlement to compensation for gold miners with lung cancer was adopted at the end of the year. A more comprehensive policy, incorporating additional compensation criteria, received Board of Directors' approval in January, 1988.

In 1987, a WCAT Review Advisory Committee was established within the General Counsel's Office to review decisions of the Workers' Compensation Appeals Tribunal and to identify those which may raise issues concerning the interpretation of the policy and general law of the *Act*. The Committee assesses the implications of the Tribunal's decisions for Board policy and determines whether, in its opinion, decisions should be considered for review under Section 86n of the *Workers' Compensation Act*. Its recommendations are presented to the Board of Directors on a monthly basis.

In March, the Board of Directors decided to invoke Section 86n to review the issues of policy and general law raised in Decision No. 72 of the Workers' Compensation Appeals Tribunal, concerning the Tribunal's interpretation of the phrase "injury by accident". The Tribunal had ruled that, in order for such an injury to exist, it was not necessary to establish that the injury was associated with some discrete external chance occurrence. Rather, the Tribunal held

that, in order to constitute an injury by accident, it is sufficient if an injury occurs suddenly and unexpectedly during the routine performance of a worker's job.

Affected parties were given the opportunity to make both oral and written submissions in conjunction with the review, and public hearings were held in June, October and November. Under the terms of the *Act*, the Board is empowered to direct WCAT to reconsider its original ruling if it determines that the relevant statutory provision should be interpreted in a different fashion.

The Board of Directors also decided to initiate a Section 86n review of a series of WCAT decisions dealing with the retroactivity of the Board's chronic pain policy. The review will be deferred until WCAT releases its Addendum to Decision No. 915, which will also consider the general issue of retroactivity.

The retroactivity issue was the subject of a new policy established by the Board of Directors in October. As a result, Board policy changes are now generally effective only from the date of their approval. An exception may arise in the case of industrial disease, where the Board of Directors may instruct that the policy change take effect at an earlier date.

The report of the Downsview Review Team, commissioned by then Minister of Labour, the Hon. William Wrye, to conduct a general review of the programs and administration of the Downsview Rehabilitation Centre, was tabled in the Legislature in April, 1987, recommending a series of reforms. The Board examined the potential impact of the recommendations on the WCB and its client groups and presented a report to the Board of

Directors in September, 1987. A second stage of this process, involving the development of a new strategy proposal for delivery of medical rehabilitation services, was initiated during 1987 and completed early in 1988.

A policy on the application and enforcement of Section 91(4) of the *Act*, empowering the Board to levy additional assessments on employers not taking sufficient precautions to ensure safe and healthy working conditions and the prevention of occupational diseases and injuries, was approved in December, 1987. The two-year program will be instituted on a pilot project basis in 1988, with a six-month introductory period, to ensure that employers in the province are fully aware of the nature and ramifications of this policy.

The Board's assessment rate strategy for 1988 was finalized following extensive consultation with the employer community, involving more than 70 meetings across the province. It included the establishment of a new rate schedule, modification of the methods used to determine maximum assessable earnings for certain workers, and the introduction of a pilot scheme to levy and collect assessment payments on a monthly basis in the logging, construction, trucking and steel industries.

Anticipated benefits of the latter initiative include a streamlining of assessment procedures and closer synchronization between the size and timing of assessment payments and changes in the level of business activity for each firm.

The number of employers in the 109 rate groups covered under Schedule 1 of the *Workers' Compensation Act* grew to 196,000 in 1987, up from 187,000 in 1986, an increase of 4.8 per cent.

*Average
Assessment
Rate Increases
Declining . . .*

Assessments issued under Schedule 1 in 1987 totalled \$1.96 billion, an increase of \$360 million over the previous year's figure of \$1.6 billion. The increase was due to the combined effects of a rise in assessment rates and growth in the assessable payroll base, attributable to an expanded workforce and higher average earnings levels. The average assessment rate in 1987 was \$2.88 per \$100 of assessable payroll, an increase of 8.7 per cent over the 1986 average rate.

The estimated average 1988 assessment rate of \$3.02 per \$100 of assessable payroll represents an increase of 4.9 per cent over the corresponding figure for 1987, the lowest such increase since 1982. No rate group will experience an increase of more than 10 per cent.

The 1988 assessment schedule is consistent with the long-term funding strategy adopted by the Board in 1984, with the objective of eliminating the unfunded liability of the Schedule 1 Accident Fund over a 30-year amortization period.

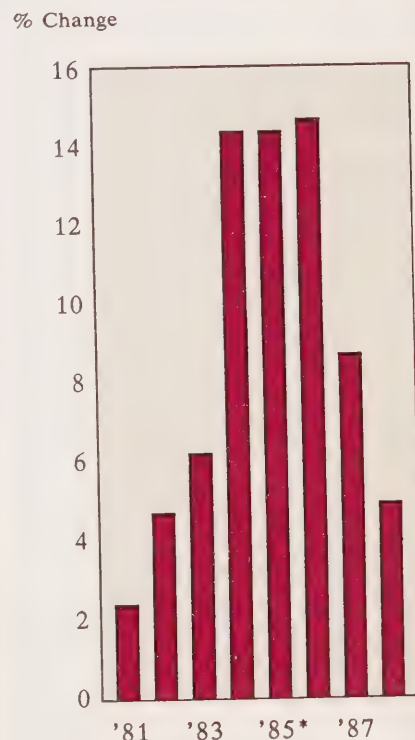
The mechanism chosen to achieve that objective was to institute an unfunded liability surcharge, averaging approximately 50 cents, on top of the assessment rate required to cover the full costs of each year's new claims. Its implementation involved a substantial increase, estimated at about 45 per cent, in the then average assessment rate of \$2.17 per \$100 of assessable payroll, in the absence of significant changes in the underlying parameters governing the cost of the compensation system.

It was decided that the required assessment rate increases would be phased in over a period of several years, subject to an annual limit on the maximum increase permitted for any individual rate group. As actual assessment rates gradually moved closer to their respective "target" rates, this maximum limit was reduced,

from 15 per cent in 1985 and 1986, to 14 per cent in 1987, and to 10 per cent in 1988.

At the same time, commencing in 1987, some assessment rates were permitted to fall. In 1988, the number of rate groups experiencing a reduction in their assessment rates rose to 22 — about one-fifth of all rate groups — compared with 17 in 1987. No rate group received an

**CHANGES IN THE AVERAGE RATE
OF ASSESSMENT
—SCHEDULE 1,
1981-1988**



* Adjusted for increase in the assessable earnings ceiling under Bill 101 in 1985.

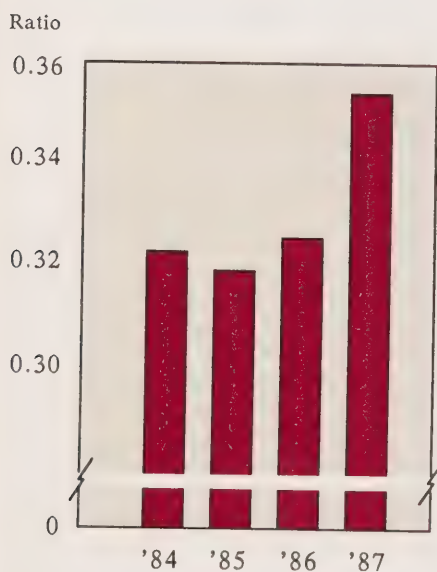
Assets Increasing in Proportion to Liabilities . . .

increase of more than 10 per cent in 1988, while 71 had increases in excess of this figure in 1987. The performance of the average assessment rate over the past few years clearly reveals a gradual downtrend in the level of increases, in line with the pattern anticipated when the long-term funding strategy was adopted.

Average rate increases are expected to moderate still further as each rate group attains its respective target rate — in 1988, about one-half of the rate groups have done so. These groups face the prospect of little or no increase, possibly even a decrease, in their assessment rates for 1989, provided their accident rates and claims cost performance do not deteriorate markedly in the intervening period.

SCHEDULE 1 FUNDING RATIO

RATIO OF SCHEDULE 1
ASSETS TO LIABILITIES,
1984-1987



The funding strategy has already had a positive effect on the "funding ratio" for Schedule 1 employers — that is, the ratio of Schedule 1 assets to Schedule 1 liabilities. The low point was reached, at just under 32 per cent, in 1985. Since then, the ratio has commenced a strong upward trend and is expected to continue to do so, in parallel with the moderation in assessment rate increases.

In the absence of major cost changes within the system, the average assessment rate should plateau within the next two to three years and remain relatively constant thereafter, until the unfunded liability surcharge is removed in 2014 — at which time the average assessment rate is expected to fall sharply. Under the Board's current assessment rate strategy, the unfunded liability is expected to peak, in constant dollar terms, in 1988-89 and decline gradually to zero within the next 25 years.

As a result of concerns identified through consultation meetings during the summer on the Board's assessment strategy, an inquiry into the Board's classification and assessment procedures in the logging industry was launched in September, 1987. Jack Biddell, former chairman of The Clarkson Company, and Cliff Pilkey, former president of the Ontario Federation of Labour, were appointed to consult with industry representatives and other interested parties and to report their findings to the Board of Directors in mid-1988.

A new set of principles to underwrite the Board's future strategy on experience rating was adopted in 1987, including procedures for the admission of new rate groups into the program. As a result, seven new rate groups entered the New Experimental Experience Rating (NEER)

*Unfunded Liability,
in Constant
Dollars, to Peak
in 1988 —
Eliminated
by 2014,
Based on Current
Costs of System . . .*

plan, effective January 1, 1988. This brings to 17 the growing number of rate groups now enrolled in NEER, covering more than 33,000 firms.

In 1987, 56,000 firms, in a total of 56 different rate groups, participated in the three experience rating plans operated by the Board (NEER, CAD-7 and the Voluntary Plan). The principal objective of each of these plans is to promote health and safety in the workplace, by providing a financial incentive for

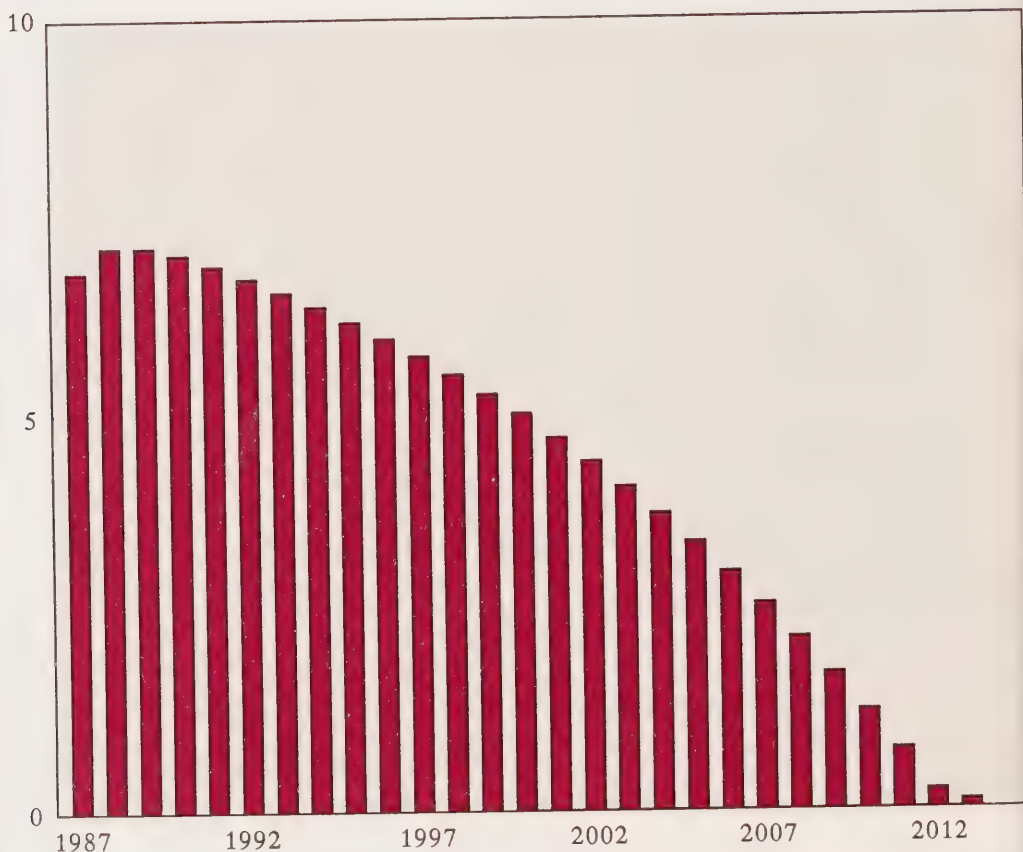
employers to reduce their own claims costs by cutting accidents and instituting measures for returning injured workers to post-injury employment. This is achieved by varying the assessment rate paid by each individual firm in accordance with its own accident record.

In 1987, substantial modifications to the NEER formula were developed and introduced, aimed at reducing the complexity of the formula and enhancing equity among participant employers. The Board

PROJECTED YEAR-END UNFUNDED LIABILITY

1987 Constant \$

\$ Billions



also mounted a major communications effort to explain the formula changes and the operation of the program, including information sessions for the employer community throughout the province, the distribution of explanatory brochures, and assistance to new rate groups in meeting the program's entry requirements.

A series of principles, reported in the Board's 1986 Annual Report, were adopted in January to guide the future approach to setting the net discount rate used to value the Board's liabilities. A

revised net rate of three per cent was approved, reflecting current economic conditions and the anticipated earning potential of assets in the Board's Schedule 1 Accident Fund.

In addition, a new formula, based on the valuation discount rate plus one per cent, was adopted for determining the discount rate to be applied in the commutation of pensions. The commutation rate, which now stands at four per cent, applies to all commutations granted on or after January 1, 1986 — the date indexation of

**INDUSTRIES ENTERING THE NEW EXPERIMENTAL
EXPERIENCE RATING PROGRAM (NEER),
1984-1988***

NEER

| <hr/> 1984 | | <hr/> 1987 | |
|------------|----------------------|------------|-----------------------|
| 001 | WOODS OPERATIONS | 405 | CHEMICALS |
| 008 | SAWMILLS | | |
| 012 | VENEER MILLS | | |
| <hr/> 1985 | | <hr/> 1988 | |
| 023 | PULP AND PAPER MILLS | 272 | PLASTICS |
| | | 357 | GAS WELLS |
| | | 440 | ABATTOIRS |
| | | 555 | TEXTILES |
| | | 591 | KNITTING AND SPINNING |
| | | 890 | HOTELS, MOTELS |
| | | 898 | RESTAURANTS |
| <hr/> 1986 | | | |
| 091 | MIXED MINING | | |
| 349 | PETROLEUM | | |
| 544 | RUBBER | | |
| 656 | TRUCKING | | |
| 882 | HOSPITALS | | |

* Rate numbers and industries are shown.

*Administration
Expenses
Decreasing as
Percentage of
Total Expenses . . .*

benefits became effective under the *Workers' Compensation Act*.

A new investment strategy was approved in April, 1987, including the establishment of a Board of Directors' Investment Committee. A proposal for a reconstituted Investment Advisory Committee was also approved. This second committee of external experts will review investment policies and procedures, recommend specific investment strategies, develop performance criteria, monitor implementation of the investment program, and evaluate its results.

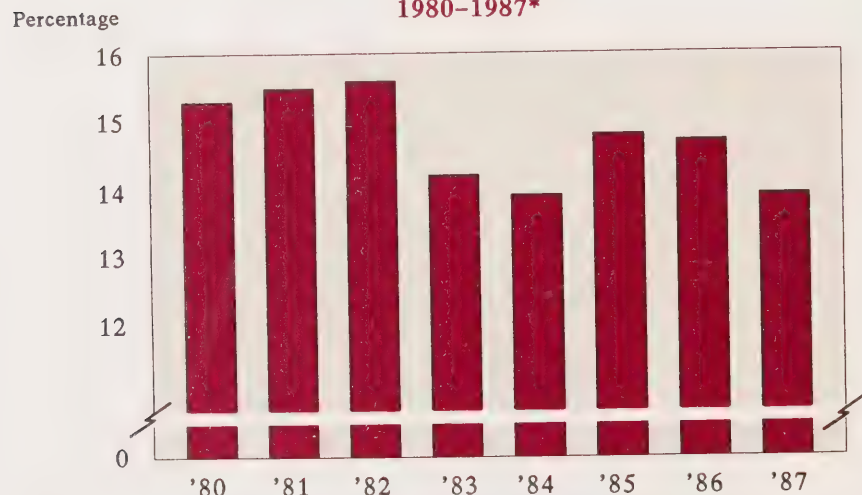
After allowing for inflation and for the one-time implementation costs of items such as the new regional office in Windsor and new Integrated Service

Units, the WCB's administrative budget for 1987 remained constant as compared with the previous year.

**THE NEW STRUCTURE
OF ADMINISTRATION**

Over the course of the year, the Board successfully implemented a major reorganization of its structure and operating areas in order to improve services to its clients and to streamline the way it does business. The new structure of four Divisions — Client Services, Policy and Specialized Services, Corporate Services, and Strategic Policy and Analysis — has provided the framework for a new, integrated approach to service delivery and greater administrative efficiency of the Board's operations.

**PERCENTAGE OF ADMINISTRATION TO TOTAL EXPENSES
—SCHEDULE 1,
1980-1987***



* This chart presents administration expenses taken as a percentage of total direct Schedule 1 expenses. In addition to staff salaries, benefits, equipment, publications, occupancy costs, and medical and vocational rehabilitation services (excluding Downsview Rehabilitation Centre), "administration" also includes accident prevention (safety associations, OHSEA, grants). "Administration" does not include legislated obligations (expenses associated with the Occupational Health and Safety Act, Mine Rescue, WCAT, IDSP, and the Offices of the Worker and Employer Adviser). Expenses for 1987 do not include the one-time charge for accrued sick leave and vacation credits.

Client Services

The Client Services Division comprises five operating areas, three of which provide direct and personalized service to the injured workers of Ontario. They incorporate the claims adjudication, medical and vocational rehabilitation functions, now performed within two departmental groupings of the Integrated Service Units and the Regional Services Department.

The fourth department — Divisional Management Services — provides common support services on a centralized basis for the Division, with responsibility for revenue, experience rating, legal services, employer relations, French language services, counselling functions and general administrative services. The Divisional Budget, Systems and Support area provides technical expertise and support services to the Division for all budget, human resource management and systems-related functions.

A number of initiatives were undertaken in 1987 to improve the Board's vocational rehabilitation services and programs, which continued to assist injured workers in returning to gainful employment. In 1987, the Board spent approximately \$220 million on vocational rehabilitation, of which \$40 million was spent on the provision of direct rehabilitation services, with an additional \$160 million spent on supplementary income support for those engaged in Board-approved rehabilitation programs, and the balance related to administrative costs.

Fifteen employment campaigns were conducted in communities throughout Ontario during the year to promote the hiring of injured workers among local employers. Campaign strategies were modified to allow for more customized job searches and greater client involvement. Programs were also run on an

ongoing basis to train clients in job search and interview techniques.

Other activities which assisted in job placement in 1987 included increased use of the Board's Work Experience Opportunity Program (WEOP), which provides on-the-job experience for injured workers following a period of formal training. Within the Board, for example, nine rehabilitated workers participated in this program, and were subsequently hired into temporary or permanent WCB staff positions.

Recruitment of rehabilitated workers was also facilitated through the Board's Injured Worker Employment Initiative. A total of 23 workers were hired for staff positions at Board offices across the province.

Consultative services on modified work programs were provided to employers and joint occupational health and safety committees to encourage injured workers' early return to work with the accident employer. Consultation was provided to 140 companies provincially over the course of the year, and information sessions were held with some 95 union locals and labour councils with an interest in these programs.

There was a concerted effort among vocational rehabilitation staff in 1987 to liaise more closely with local communities, in order to foster cooperative working relationships and to meet the needs of Board clients more effectively. Staff continued to participate in local advisory councils across the province, organized in cooperation with Canada Employment Centres, to discuss areas of common concern with respect to job training, and to develop methods of improving services to the local community.

The French Translation Bureau continued to support the Board's commitment to providing high quality service in the

French language to its clients. Over the course of the year, the Bureau produced more than two million words of translation from a wide variety of written materials. A WCB bilingual lexicon, containing more than 2,000 key terms and expressions in common usage at the Board, was also completed and distributed to bilingual staff.

The Division dealt extensively with the employer community on assessment and related issues throughout the year, addressing general inquiries and convening information sessions on a variety of topics. In addition, 11,063 employer audits were performed during 1987, resulting in an additional levy of \$4.1 million in assessments, a significant increase over the corresponding figure of \$2.2 million in 1986.

Corporate Services

The Corporate Services Division provides a variety of support services to other parts of the organization. It contains the departments of Finance and Administration, Management Information Services and Review Services, the Human Resources and Internal Audit Branches, an Employment Equity section, and a Divisional Budget, Systems and Support group.

In 1987, the Corporate Services Division underwent substantial reorganization in order to improve the efficiency of its operating areas and to upgrade the administrative support it provides to the Board.

A report on the internal organization and operational effectiveness of the Division, prepared by the Coopers and Lybrand Consulting Group, was presented to the Board of Directors in September, 1987. The report recommended a number of structural changes to streamline the Division's operations and to realize the objective of greater efficiency. On the

basis of these recommendations, an internal organizational review was launched to identify new roles and responsibilities as well as staffing requirements. This review was completed and implemented during the first quarter of 1988.

In 1987, the Review Services Department undertook a series of initiatives designed to enhance the quality and timeliness of the decision-making process and to streamline access to claim files. These included the introduction of audits for quality control, the establishment of service delivery deadlines, the introduction of a postponements policy, and the development of a pilot project to regionalize access to claim files.

Further progress was made during the year in the development and maintenance of computerized business systems and corporate data bases to increase the efficiency of services to the Board's clients. In late 1987, an IBM 3090-400E mainframe processor was installed, providing the Board with the capacity to adapt to future technological changes while maintaining existing levels of service throughout the remainder of the 1980s. In addition, the Board upgraded its electronic office and word processing capabilities, with the acquisition of a new system.

A Survivors' Benefits System was fully implemented in July to provide a database for the processing of fatality claims and to automate the calculation and issuance of payments. Under the new system, survivors' payments are processed on the first day of each month, thereby simplifying the adjustment of benefits and facilitating the eventual move to direct deposit in recipients' bank accounts.

In addition, Phase II of the Rehabilitation Information System (RIS) was partially completed in 1987. As a result, an on-line agency registration system is now in place, permitting rehabilitation counsellors to search agencies by location and type of program, in order to facilitate selection of the most appropriate program for injured workers.

During the year, the Board of Directors approved a statement of principles governing the Human Resources policies of the Board, emphasizing an employee's right to work in a safe and fair environment, and underlining the Board's commitment to the development and promotion of excellence in employee performance.

Important initiatives with respect to staff development included a new compensation plan for senior executives, based on the accomplishment of objectives set out in individual performance agreements, and new policies on part-time employment and job-sharing for non-bargaining unit staff.

A new system of bi-weekly salary payments was introduced for non-union staff, with payments deposited directly in each employee's bank account. With a view to improving service to WCB clients, the principle of direct deposit will be extended during 1988 to cover worker and survivor pensions, as well as health care agency billings.

In April, the Board expanded its commitment to employment equity in the workplace beyond the needs of women and the disabled by addressing the employment needs of visible minorities and native groups. Steps were taken to identify relevant employment issues, and an Advisory Committee on Race Relations was established. These will be developed further in 1988.

Programs were implemented during 1987 to ensure accessibility to WCB offices for people with disabilities and to install, at Head Office, a device to assist hearing-impaired individuals who are unable to use a conventional telephone.

Policy and Specialized Services

The Policy and Specialized Services Division provides the Board with a mechanism for the development of integrated operational policies and the provision of a range of high quality, specialized medical and vocational rehabilitation programs and services, which assist injured workers in returning to work and promote the prevention of workplace accidents through education.

The Division has seven operating areas, including the Downsview Rehabilitation Centre (DRC), the Occupational Health and Safety Education Authority (OHSEA), and a Divisional Budget, Systems and Support group.

The Policy and Program Development Department is responsible for development of the Board's operational policies, and the administrative guidelines to link these policies to program delivery. It also carries out staff training for the operating areas and the dissemination of policy information. In March, 1988, the first issue of *Policy Report*, a bi-monthly newsletter, was produced for internal and external stakeholders with an interest in a wide variety of Board policy issues.

The remaining three operating areas deal with the provision of specialized medical and vocational services. The Specialized Vocational Rehabilitation Department provides rehabilitation counselling, consulting and technical services. The Specialized Medical Services Department provides medical and surgical consultant opinions, advice on health care fee

schedules and unusual medical procedures, and assessment of the clinical impairment of injured workers. It is also responsible for the recruitment, training and evaluation of medical staff in other areas of the Board. The Occupational Disease Department, which became fully operational in January, 1988, provides an integrated, full service to claimants with occupational diseases. The Department also monitors emerging trends and provides policy and technical advice with respect to occupational diseases.

The Board's strong commitment to occupational health and safety continued in 1987. The OHSEA assisted in the prevention of occupational injuries and diseases by promoting the effective delivery of health and safety education services among Ontario's workers and employers.

The first phase of the OHSEA's Planning and Evaluation System, designed to create a strategy which will enhance the development of effective occupational health and safety education programs provided by the delivery agencies, was completed in July, 1987. A report, by ARA Consultants Limited, noted a positive perception among management and workers concerning current programs and put forward a number of recommendations which are currently under review. Phase II of the project, dealing with the formulation of plans for the ongoing evaluation of occupational health and safety education and training programs, is currently in progress.

A two-year program to provide occupational health and safety education services to the Ontario Municipal Water Association (OMWA) was completed in 1987, in conjunction with the Electrical Utilities

Safety Association (EUSA). Arrangements have been made for EUSA to provide services to a number of OMWA member firms on a permanent cost recovery basis. In addition, an experimental program to serve municipalities throughout Ontario entered its second of three years in 1987.

In the wake of a federal government initiative to establish the Workplace Hazardous Materials Information System (WHMIS) and Ontario legislation — Bill 79 — governing "the right to know", the OHSEA agreed to coordinate an initiative with the delivery agencies to develop a WHMIS training program for employers and workers in the province. The program will be developed in two phases, under the auspices of an executive coordination committee chaired by a representative of the Ministry of Labour, and composed of representatives of management and labour, as well as the OHSEA.

Phase I contains general modules on the new legislation, basic occupational health, emergency and control handling, and identification of materials. Phase II will be more specific to the workplace, with six generic modules explaining the characteristics of certain groups of chemicals.

The OHSEA also conducted a comprehensive review of Regulation 950, governing first aid requirements. Individuals and organizations were invited to comment on the current regulation, and to put forward recommendations for its revision. The review process is scheduled for completion in 1988.

To ensure high quality treatment and a more personalized service at the Downsview Rehabilitation Centre, admission levels for each general clinic were reduced from 14 to 10 patients per week. Total admissions to the Centre were reduced by the Board to 10,180 in 1987,

from 13,522 the previous year. In addition, the number of beds per room in the dormitory was reduced to provide more privacy.

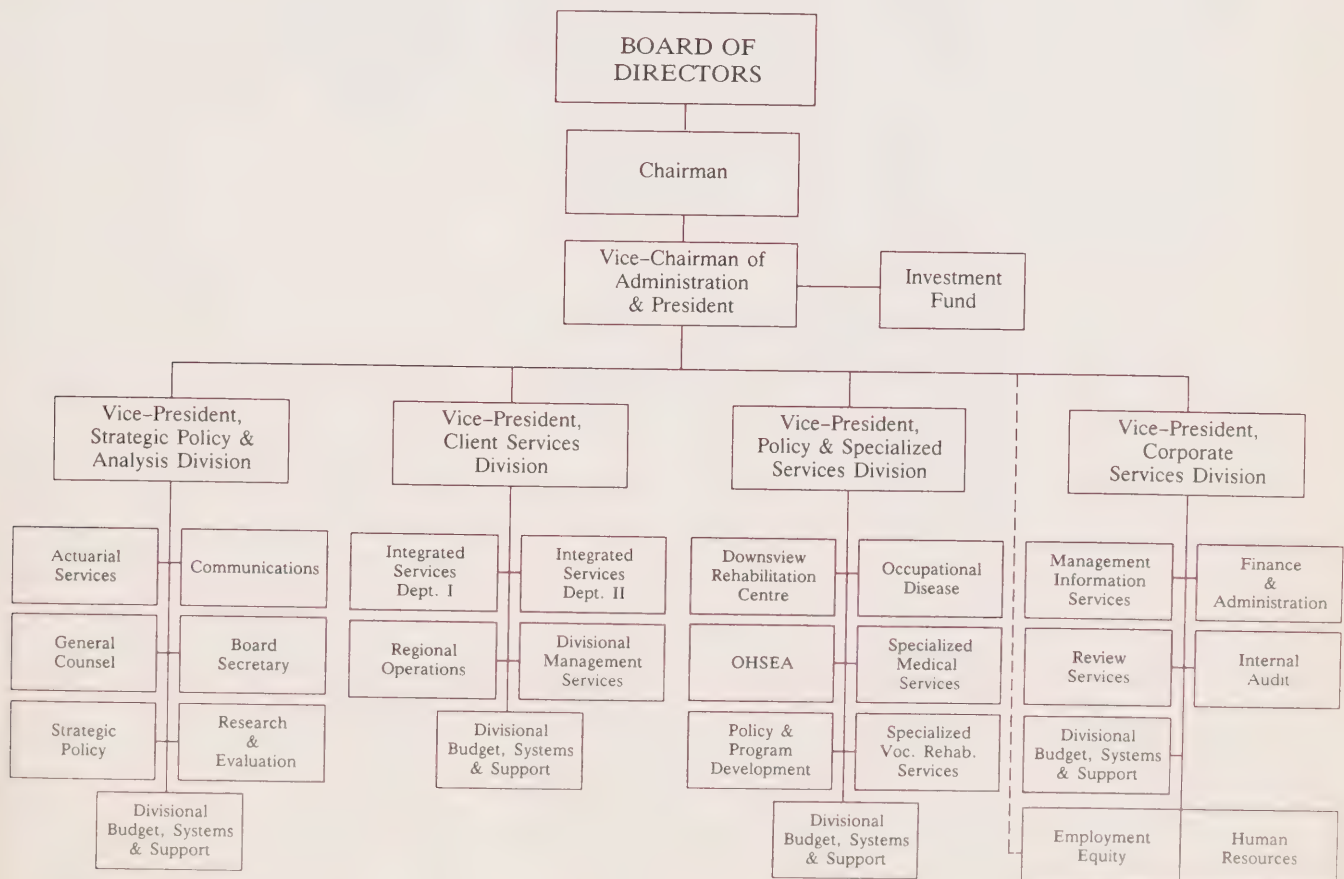
In July, representatives of the Office of the Worker Adviser commenced operations at the Centre on a six-month trial basis, to provide injured workers with information on advisory services available to them in the province.

In an effort to provide early active medical rehabilitation services to injured workers with musculo-skeletal disorders, the Board initiated pilot projects during 1987 to provide rehabilitation services in

several Ontario communities. These services are provided to workers who require rehabilitation services commencing 20 to 70 days post-injury on a fee-for-service basis. Clinics were opened to treat injured workers in their local communities in Hamilton, Toronto, Thunder Bay, Sudbury, London and Windsor during 1987, and in Ottawa, Kingston and London in early 1988. Evaluation of the pilot projects is currently underway. Early results are encouraging, and the study will continue through 1988.

The Board also entered into discussions during the year with a community group in Sudbury, in an effort to establish an

WORKERS' COMPENSATION BOARD



experimental medical rehabilitation program for injured workers who have not sufficiently recovered to return to work within 90 days of their work-related injury. As part of this process, the Board undertook to specify the medical rehabilitation services it would be interested in purchasing on a fee-for-service basis in the Sudbury area.

In September, a behavioural therapy pilot project was initiated at the Columbia Centre for Integrated Health Services in Toronto. The Centre treats injured workers on a fee-for-service basis, and focuses on those workers whose experience in the year following their injury suggests they might benefit from behavioural therapy. A second clinic, the Behavioural Health Clinic, commenced services on a similar basis in January, 1988. An evaluation of both clinics will be undertaken by the Board during 1988.

The Board's Worksite Analysis Section completed 183 worksite analyses over the course of the year, providing expert advice to employers on the design or redesign of the workplace to accommodate rehabilitated workers. This figure represents a 13 per cent increase over 1986, demonstrating the growing demand for this service among Ontario's employers. An ergonomic work guide package was also developed in 1987 to assist rehabilitation counsellors in understanding basic ergonomic principles.

Strategic Policy and Analysis

The strategic policy and analysis function at the Board was expanded during 1987, leading to the creation of a new Division, which replaced the former Strategic Planning and Analysis Department. The Division's focus is on issues of organization-wide strategic importance, as distinct from the operational policy focus provided by the Policy and Specialized Services Division.

The Division is responsible for the provision of advice and analysis on a variety of legal, economic and actuarial issues, as part of the process of strategic policy development. In addition to the Branches formerly in the Strategic Planning and Analysis Department — the General Counsel's Office, the Strategic Policy Branch and the Board Secretary's Office — the new division includes a Research and Evaluation Branch, which will monitor and assess the impact of Board programs, the Actuarial Services Branch, Communications Services and a Divisional Budget, Systems and Support group.

Over the course of the year, the Division participated in and helped to coordinate a number of major policy initiatives, including several previously outlined. In April, 1987, the Board of Directors approved a detailed delegation of authority policy, identifying those statutory powers delegated to certain classes of Board officials and the key administrative powers which are to be exercised exclusively by the Board of Directors.

In an effort to better understand the nature of rising costs in workers' compensation in Ontario, the Board retained the services of the Peat Marwick Consulting Group in 1987 to analyse the growth in costs over the period 1975-1986.

Its report was presented to the Board of Directors in September and was subsequently made available to the general public. It established a comprehensive and systematic framework within which to analyse cost trends, and helped to quantify the relative contribution of various key factors to the overall growth in costs. The report concluded that, after allowing for inflation and changes in

the covered workforce, the annual growth in benefit costs averaged 4.1 per cent over the 11-year period examined; administrative costs, similarly adjusted, rose an average of 0.5 per cent per year over the same period of time.

The promotion of WCB programs, policies and initiatives among the Board's clients continued during 1987, with enhanced communications strategies designed to convey the Board's new way of doing business. The establishment of closer links between the communications services function and the strategic policy development process reflects a recognition of the need both to instil a greater awareness among client groups of changes in Board policies and programs, and to facilitate consultation with stakeholders on issues of strategic importance to the Board, such as the assessment rate strategy, experience rating, and changes in medical and vocational rehabilitation policy.

A full program of communications service to Ontario's ethnic communities was promoted by way of public presentations, broadcast editorials, and print materials. The Board's audio-visual unit produced more than 160 items of ethnic programming for broadcast on provincial, local and cable television networks.

In March, 1987, publication of a new monthly report, *Communiqué*, was launched to inform stakeholders and to highlight the decisions made at Board of Directors' meetings. The report is distributed to individuals and organizations with an interest in the Board's operations and, more generally, in the field of workers' compensation.

In retrospect, the past year has been one of great achievement for the Workers' Compensation Board. The organizational changes that have been made, and those that will be made in 1988, demonstrate the Board's resolve and steadfast commitment to providing improved service to our clients in a more personal, timely and fair manner, within a framework of sound financial management.

EXECUTIVE COMMITTEE

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C)
Chairman of the Board

Alan D. Wolfson, Ph.D.
*Vice-Chairman of Administration
and President*

Robert D. Reilly
*Vice-President,
Client Services Division*

Sam Van Clieaf
*Vice-President,
Corporate Services Division*

Elizabeth A. Kaegi, M.D.
*Vice-President,
Policy and Specialized Services Division*

Robert Coke
*Vice-President,
Strategic Policy and Analysis Division*

Linda Angove
Secretary of the Board

Facts and Figures

STATISTICAL RECORD OF CLAIMS PROCESS

In 1987, new claims reported to the Workers' Compensation Board across the province totalled 469,681, an increase of 6.2 per cent over 442,080 new claims in 1986.

Of total claims, 63.9 per cent (299,966) were reported to the Board's Toronto Head Office, while 36.1 per cent (169,715) were reported to regional offices. The Hamilton Regional Office handled 72,789 claims (15.5 per cent of the provincial total); London 31,091 (6.6 per cent); Sudbury 15,867 (3.4 per cent); Thunder Bay 14,074 (3 per cent); and Ottawa 35,894 (7.6 per cent) in the eight months of the year it was operational. It is estimated that the Ottawa

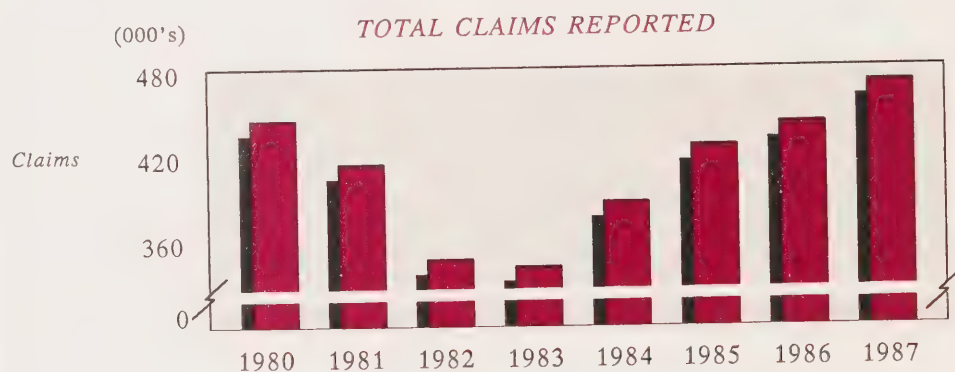
Regional Office will process approximately 10 per cent of all claims filed with the Board in the course of a full calendar year.

During 1987, 44.6 per cent (209,255) of total new claims were accepted as lost-time claims, involving time off work and compensation payments. An additional 47.2 per cent (221,729) were accepted as no lost-time claims, for accidents which necessitated health care treatment but no time off work beyond the day of the accident. The remainder of claims were denied or otherwise categorized (including withdrawn or pending claims).

VOLUME AND TYPE OF CLAIMS, 1980-1987

Number of Claims and Percentage of Total Claims

| | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|---|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Allowed lost-time claims | 165,221 | 37.1 | 163,366 | 39.4 | 148,713 | 42.5 | 147,666 | 42.8 | 172,002 | 44.2 | 188,461 | 44.2 | 203,241 | 46.0 | 209,255 | 44.6 |
| Allowed no lost-time claims | 246,255 | 55.4 | 222,374 | 53.6 | 183,990 | 52.6 | 175,871 | 51.0 | 192,919 | 49.6 | 207,104 | 48.5 | 210,375 | 47.6 | 221,729 | 47.2 |
| Denied claims | 28,332 | 6.4 | 25,582 | 6.1 | 15,842 | 4.5 | 16,989 | 4.9 | 20,343 | 5.2 | 24,020 | 5.6 | 25,742 | 5.8 | 29,570 | 6.3 |
| Other (including withdrawn or pending claims) | 4,866 | 1.1 | 3,722 | 0.9 | 1,202 | 0.4 | 4,232 | 1.3 | 3,581 | 1.0 | 7,295 | 1.7 | 2,722 | 0.6 | 9,127 | 1.9 |
| Total claims | 444,674 | 100.0 | 415,044 | 100.0 | 349,747 | 100.0 | 344,758 | 100.0 | 388,845 | 100.0 | 426,880 | 100.0 | 442,080 | 100.0 | 469,681 | 100.0 |



There were 230* allowed **fatal claims** by year of death in 1987, compared with

208 the previous year. (*preliminary figure)

OCCUPATIONAL FATALITIES, 1980-1987

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|------------|------|------|------|------|------|------|------|------|
| Fatalities | 315 | 274 | 230 | 240 | 245 | 199 | 208 | 230* |

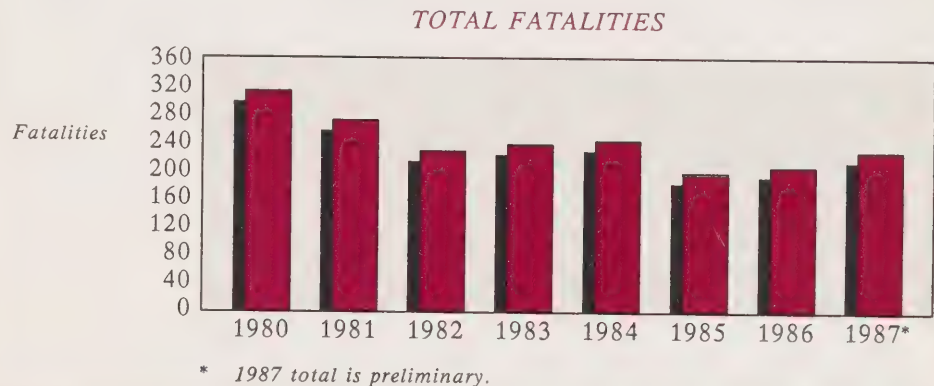
*Preliminary figure

NOTE:

1) Represents allowed claims for fatalities based on the year of death of the worker;

2) Includes deaths arising out of occupational illnesses and injuries;

3) Allowed fatal claims are subject to slight change with time as new allowed claims are assigned to the year of death.



New permanent disability pension awards, comprising life and provisional awards, totalled 16,733 in 1987, up 12.8 per cent from 14,832 in 1986. A total of 17,163 special supplements were awarded during the year, 19.3 per cent more than in 1986 (14,381).

The number of active life and provisional awards on file at the end of the year increased to 116,398, up 8.9 per cent from 106,864 in 1986.

NEW PENSION AWARDS AND SPECIAL SUPPLEMENTS IN A YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1987*

Number of Life and Provisional Awards and Percentage of Total Awards**

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 4,257 | 46.2 | 4,442 | 42.6 | 5,631 | 45.2 | 5,976 | 47.0 | 6,522 | 44.0 | 6,250 | 45.9 | 6,997 | 47.2 | 8,379 | 50.1 |
| 10.1% to 20.0% | 2,912 | 31.6 | 3,513 | 33.7 | 4,130 | 33.2 | 4,416 | 34.8 | 5,640 | 38.1 | 4,907 | 36.0 | 5,390 | 36.3 | 5,737 | 34.3 |
| 20.1% to 50.0% | 1,614 | 17.5 | 2,010 | 19.3 | 2,208 | 17.7 | 1,906 | 15.0 | 2,222 | 15.0 | 2,044 | 15.0 | 2,048 | 13.8 | 2,230 | 13.3 |
| 50.1% to 99.9% | 255 | 2.8 | 291 | 2.8 | 281 | 2.3 | 214 | 1.7 | 301 | 2.0 | 287 | 2.1 | 254 | 1.7 | 244 | 1.5 |
| 100.0% | 173 | 1.9 | 165 | 1.6 | 206 | 1.6 | 189 | 1.5 | 131 | 0.9 | 138 | 1.0 | 143 | 1.0 | 143 | 0.8 |
| Total awards | 9,211 | 100.0 | 10,421 | 100.0 | 12,456 | 100.0 | 12,701 | 100.0 | 14,816 | 100.0 | 13,626 | 100.0 | 14,832 | 100.0 | 16,733 | 100.0 |

Number of Special Supplements and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|----------|-------|----------|-------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 234 | 6.7 | 248 | 6.0 | 236 | 4.1 | 180 | 2.4 | 214 | 2.4 | 167 | 1.4 | 300 | 2.1 | 399 | 2.3 |
| 10.1% to 20.0% | 414 | 11.8 | 393 | 9.5 | 385 | 6.7 | 330 | 4.5 | 431 | 4.8 | 804 | 6.9 | 522 | 3.6 | 797 | 4.6 |
| 20.1% to 50.0% | 963 | 27.4 | 995 | 24.1 | 1,039 | 18.0 | 1,034 | 14.0 | 1,403 | 15.7 | 2,408 | 20.5 | 2,532 | 17.6 | 3,260 | 19.0 |
| 50.1% to 99.9% | 1,900 | 54.0 | 2,491 | 60.3 | 4,098 | 71.1 | 5,832 | 79.0 | 6,873 | 77.0 | 8,339 | 71.1 | 9,155 | 63.7 | 10,696 | 62.3 |
| 100.0% | 4 | 0.1 | 3 | 0.1 | 8 | 0.1 | 4 | 0.1 | 9 | 0.1 | 16 | 0.1 | 14 | 0.1 | 27 | 0.2 |
| No % Permanent Disability*** | — | — | — | — | — | — | — | — | — | — | — | — | 1,858*** | 12.9 | 1,984*** | 11.6 |
| Total awards | 3,515 | 100.0 | 4,130 | 100.0 | 5,766 | 100.0 | 7,380 | 100.0 | 8,930 | 100.0 | 11,734 | 100.0 | 14,381 | 100.0 | 17,163 | 100.0 |

*Excludes lump sum awards.

**Provisional pensions are awarded in certain cases for a fixed period of years.

***Since 1986, special supplements for old age were not assigned a specific per cent permanent disability.

ACTIVE PENSION AWARDS AND SPECIAL SUPPLEMENTS AT DECEMBER 31 OF EACH YEAR BY PERCENTAGE OF PERMANENT DISABILITY, 1980-1987*

Number of Active Life and Provisional Awards and Percentage of Total Awards**

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|---------|-------|---------|-------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 24,119 | 38.1 | 26,317 | 38.4 | 29,621 | 39.1 | 33,068 | 39.9 | 36,871 | 40.4 | 40,342 | 40.8 | 44,198 | 41.4 | 49,193 | 42.3 |
| 10.1% to 20.0% | 25,348 | 40.1 | 27,235 | 39.7 | 29,647 | 39.1 | 32,273 | 38.9 | 35,736 | 39.1 | 38,629 | 39.1 | 41,729 | 39.0 | 45,064 | 38.7 |
| 20.1% to 30.0% | 6,523 | 10.3 | 7,268 | 10.6 | 8,114 | 10.7 | 8,834 | 10.7 | 9,620 | 10.5 | 10,294 | 10.4 | 10,979 | 10.3 | 11,813 | 10.1 |
| 30.1% to 50.0% | 4,231 | 6.7 | 4,568 | 6.7 | 4,921 | 6.5 | 5,172 | 6.2 | 5,423 | 5.9 | 5,698 | 5.8 | 5,948 | 5.6 | 6,182 | 5.3 |
| 50.1% and more | 3,020 | 4.8 | 3,210 | 4.6 | 3,440 | 4.6 | 3,574 | 4.3 | 3,742 | 4.1 | 3,907 | 3.9 | 4,010 | 3.7 | 4,146 | 3.6 |
| Total awards | 63,241 | 100.0 | 68,598 | 100.0 | 75,743 | 100.0 | 82,921 | 100.0 | 91,392 | 100.0 | 98,870 | 100.0 | 106,864 | 100.0 | 116,398 | 100.0 |

Number of Special Supplements and Percentage of Total Awards

| Percentage of Permanent Disability | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|----------|-------|----------|-------|
| | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % | Awards | % |
| 10.0% and less | 116 | 7.3 | 109 | 6.8 | 98 | 4.7 | 81 | 3.0 | 88 | 2.6 | 62 | 1.5 | 111 | 1.7 | 155 | 1.7 |
| 10.1% to 20.0% | 324 | 20.5 | 306 | 19.1 | 310 | 15.0 | 280 | 10.3 | 289 | 8.6 | 592 | 13.9 | 274 | 4.0 | 317 | 3.5 |
| 20.1% to 30.0% | 351 | 22.2 | 306 | 19.1 | 323 | 15.6 | 280 | 10.3 | 293 | 8.8 | 554 | 13.0 | 339 | 5.0 | 388 | 4.3 |
| 30.1% to 50.0% | 322 | 20.4 | 334 | 20.8 | 339 | 16.4 | 372 | 13.6 | 435 | 13.0 | 679 | 15.9 | 674 | 9.9 | 738 | 8.5 |
| 50.1% and more | 467 | 29.6 | 547 | 34.2 | 1,000 | 48.3 | 1,717 | 62.8 | 2,240 | 67.0 | 2,373 | 55.7 | 3,009 | 44.4 | 3,588 | 39.8 |
| No % Permanent Disability*** | — | — | — | — | — | — | — | — | — | — | — | — | 2,377*** | 35.0 | 3,829*** | 42.1 |
| Total awards | 1,580 | 100.0 | 1,602 | 100.0 | 2,070 | 100.0 | 2,730 | 100.0 | 3,345 | 100.0 | 4,260 | 100.0 | 6,784 | 100.0 | 9,015 | 100.0 |

*Excludes lump sum awards.

**Provisional pensions are awarded in certain cases for a fixed period of years.

***Since 1986, special supplements for old age were not assigned a specific per cent permanent disability.

The average duration on temporary total benefits, or the average number of workdays injured workers were on

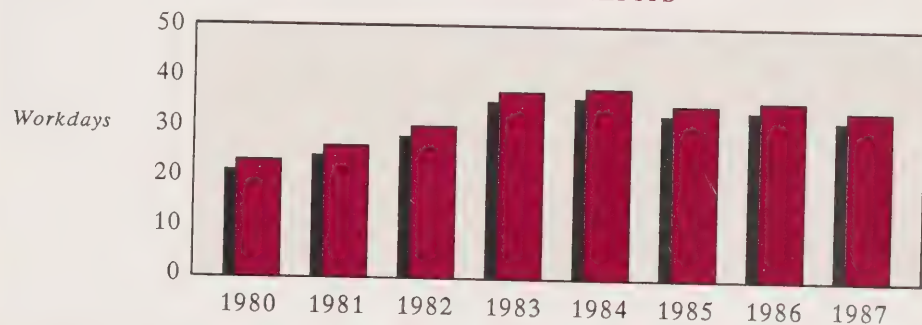
temporary total compensation in 1987, was 34 workdays (6.8 weeks), down from 35.7 workdays in 1986.

AVERAGE DURATION ON TEMPORARY TOTAL BENEFITS, 1980-1987*

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|-------------------------------|------|------|------|------|------|------|------|------|
| Average number of workdays | 23.4 | 26.4 | 30.3 | 37.4 | 38.1 | 34.9 | 35.7 | 34.0 |
| Converted to weeks on benefit | 4.7 | 5.3 | 6.1 | 7.5 | 7.6 | 7.0 | 7.1 | 6.8 |

*These are the average workdays on temporary total compensation, for compensation claims which were closed or initially settled in the year involved. They are not persistency values, which is a term used by the Board's actuarial services for costing purposes.

AVERAGE NUMBER OF WORKDAYS ON TEMPORARY TOTAL BENEFITS



Industrial disease consultants reviewed 10 per cent more claims in 1987, for a total of 24,717 (from 22,470 in 1986). Permanent disability examinations of injured workers totalled 19,575, up 6.3 per cent from 18,413 in 1986.

Home modifications were arranged for 490 injured workers (up 4.9 per cent from 467 in 1986) who, because of severe disability, medically required modifications to their home. A total of \$1,306,040 was paid for these modifications in 1987, at an average cost of \$2,665 per injured worker.

Admissions to the **Downsview Rehabilitation Centre** were reduced by the Board in 1987 to 10,180, from 13,522 the previous year, a 24.7 per cent decrease, and the number of available beds was reduced to 379, from 499 in 1986. Of total admissions, 5,600 patients completed the full-treatment program, 35.7 per cent fewer than in 1986 (8,702), and stayed at the Centre for an average of 20.8 days (19.9 the year before). Of patients who completed the full-treatment program, 4,576 were medically fit to return to work, a success rate of 81.7 per cent in these complicated cases.

FULL-TREATMENT PROGRAMS COMPLETED AT DOWNSVIEW REHABILITATION CENTRE AND WORKERS MEDICALLY FIT TO RETURN TO WORK, 1980-1987

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Workers who completed full-treatment program | 5,955 | 6,126 | 6,059 | 6,520 | 6,944 | 9,438 | 8,702 | 5,600 |
| Workers medically fit to return to work | 4,594 | 4,639 | 4,651 | 5,188 | 5,731 | 7,893 | 7,287 | 4,576 |

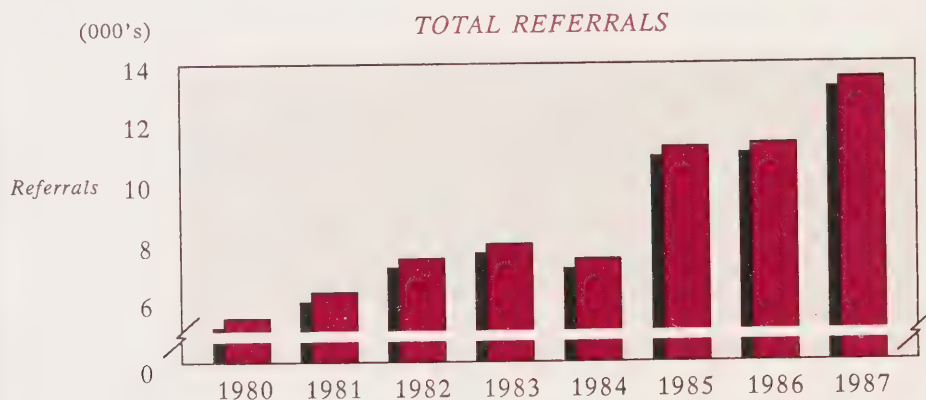
Injured workers across the province referred for **vocational rehabilitation services** at the Board totalled 13,496 in 1987, compared with 11,365 in 1986, an 18.8 per cent increase.

Vocational rehabilitation staff were instrumental in rehabilitating 6,156 injured workers during the year, up 3.5 per cent from the year before. Of these,

5,229 workers were returned to work, 54.8 per cent of them (2,867) to a new employer, 38.3 per cent (2,001) to the accident employer, and 6.9 per cent (361) became self-employed. The remaining 927 workers, who will not be returning to employment, were assisted in achieving financial self-sufficiency.

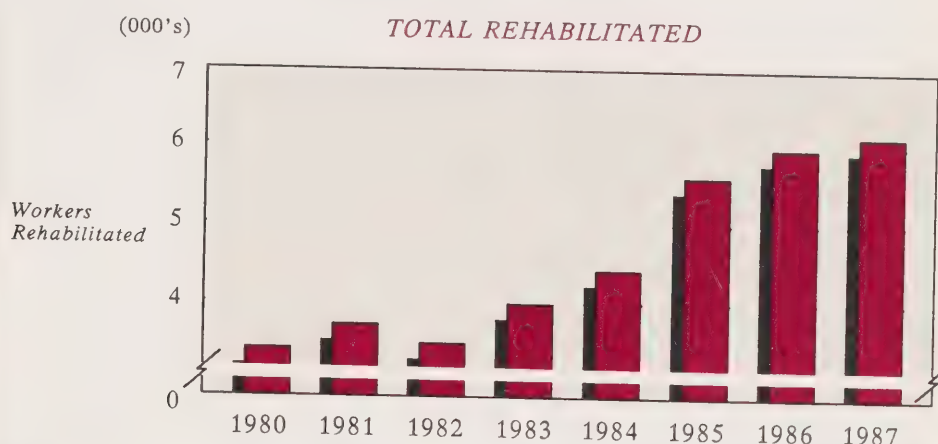
INJURED WORKERS REFERRED FOR VOCATIONAL REHABILITATION, 1980-1987

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|-----------------|-------|-------|-------|-------|-------|--------|--------|--------|
| Injured workers | 5,707 | 6,545 | 7,656 | 8,126 | 7,633 | 11,269 | 11,365 | 13,496 |



INJURED WORKERS REHABILITATED, 1980-1987

| Injured Workers Employed With . . . | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Accident employer | 848 | 1,020 | 991 | 1,320 | 1,293 | 2,031 | 2,145 | 2,001 |
| New employer | 1,772 | 1,893 | 1,545 | 1,651 | 2,162 | 2,534 | 2,678 | 2,867 |
| Self-employed | 185 | 191 | 169 | 217 | 259 | 309 | 328 | 361 |
| Total employed | 2,805 | 3,104 | 2,705 | 3,188 | 3,714 | 4,874 | 5,151 | 5,229 |
| Assisted in becoming financially self-sufficient | 609 | 608 | 777 | 793 | 696 | 707 | 794 | 927 |
| Total rehabilitated | 3,414 | 3,712 | 3,482 | 3,981 | 4,410 | 5,581 | 5,945 | 6,156 |



In 1987, 5,234 job opportunities across Ontario were located by Board staff for use in the placement of rehabilitated workers, a 4.9 per cent increase over 1986 (4,990). Rehabilitated workers were placed in 1,809 (34.6 per cent) of these jobs, through the employment assessment and training-on-the-job programs. More job opportunities are obtained than are filled in order to provide workers with a selection of jobs from which to choose the most suitable.

Injured workers participated in 5,166 vocational evaluations during the year, up 7.9 per cent, in order to help identify their interests, aptitudes and capabilities and to assist in vocational planning and job placement. Some 3,455 training programs were commenced for injured workers, a 10.8 per cent increase over 1986.

VOCATIONAL EVALUATIONS AND TRAINING PROGRAMS COMMENCED, 1980-1987

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Vocational evaluations | 2,758 | 2,780 | 2,775 | 3,302 | 3,837 | 4,499 | 4,789 | 5,166 |
| Training programs | 2,246 | 2,319 | 2,451 | 2,400 | 2,654 | 2,614 | 3,118 | 3,455 |

A total of 12,129 **objections to Board decisions** were reviewed by the Board's decision review specialists during 1987, or an average of 1,011 claims per month. This represents an increase of 16.1 per cent over the number of objections reviewed in 1986 (10,448). Of this total, 30 per cent of objections were granted, either in whole or in part, compared with 34.6 per cent in 1986.

Hearings officers at the Board conducted 3,571 hearings in 1987, compared with 4,154 hearings in 1986, a decrease of 14 per cent. This decrease marks the end of the transition period since the conversion to the Board's current system of review in October 1985, and reflects a realistic level of hearings. Of objections

heard, 51 per cent were granted, either in whole or in part, compared with 59.1 per cent in 1986.

Requests for **access to claim files**, which is available to injured workers and employers when an adverse decision has been rendered in an operating area of the Board and an objection raised, increased by a significant 19.9 per cent during the year. Access to files totalled 26,839 in 1987, up from 22,390 in 1986. By year's end, the department was meeting its standard of providing access to workers within two weeks in 76 per cent of requests. Access was provided to employers within two weeks in 70 per cent of requests, due to legislative restrictions on access for employers.

OPERATIONAL PERFORMANCE

Surveys are carried out regularly to measure the **time lags in processing the first compensation cheque** for a new claim. A categorization has been developed, based on the extent of information available on initial notification of a new claim.

For "uncomplicated claims", all the required information to process the claim is available on the employer's report (Form 7); "Claims instituted on the doctor's first report" (Form 8) generally require further reports from the employer/worker; "Complicated claims" involve complicated injuries and/or require substantial further inquiries or

full field investigations. Of new claims volumes, approximately 55 per cent are uncomplicated claims, 11 per cent are claims initiated by the doctor's first report, and 34 per cent are complicated claims.

In 1987, 97.7 per cent of uncomplicated claims were processed, and the first compensation cheque issued, within three working days of the Board's receipt of accident notification. Some 80.8 per cent of claims instituted on a doctor's first report were processed within 10 working days, while 73.3 per cent of complicated claims were processed within 30 working days.

CLAIMS PAYMENT RESPONSE TIMES, 1980-1987*

| Uncomplicated Claims (Instituted on employer's report) | 1980 % | 1981 % | 1982 % | 1983 % | 1984 % | 1985 % | 1986 % | 1987 % |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| % of claims paid within... | | | | | | | | |
| 3 workdays | 94.6 | 95.3 | 95.7 | 96.1 | 96.8 | 98.0 | 97.5 | 97.7 |
| 4 workdays | 96.6 | 98.1 | 98.7 | 97.9 | 97.8 | 99.0 | 99.1 | 98.6 |
| 5 workdays | 96.9 | 98.8 | 99.2 | 98.5 | 98.8 | 99.3 | 99.4 | 99.0 |
| Claims Instituted on Doctor's First Report (Requiring additional reports from employer/employee) | | | | | | | | |
| % of claims paid within... | | | | | | | | |
| 10 workdays | 58.1 | 44.4 | 60.6 | 92.9 | 89.7 | 84.6 | 86.4 | 80.8 |
| 20 workdays | 78.2 | 67.5 | 86.1 | 98.4 | 98.1 | 97.5 | 97.7 | 96.6 |
| 30 workdays | 91.9 | 82.8 | 94.9 | 99.4 | 99.1 | 100.0 | 100.0 | 99.3 |
| Complicated Claims (Needing inquiries or full field investigations) | | | | | | | | |
| % of claims paid within... | | | | | | | | |
| 10 workdays | 22.1 | 35.1 | 36.0 | 36.8 | 36.8 | 37.0 | 29.5 | 22.2 |
| 20 workdays | 50.6 | 62.2 | 67.5 | 66.6 | 65.9 | 67.5 | 61.2 | 55.5 |
| 30 workdays | 75.3 | 76.9 | 82.0 | 84.3 | 84.0 | 82.5 | 80.4 | 73.3 |

* A comparison over eight years of the time between the Board's receipt of accident notification and its issuing of the first compensation cheque.
NOTE: Claims excluded:

- 1) Claims in which there was a change in status from "no lost-time" to "lost-time";
- 2) Hernia claims;
- 3) Industrial disease claims.

SCHEDULE 1 ACCIDENT FUND

Employers in Ontario who are covered under Schedule 1 of the *Workers' Compensation Act* contribute to a collective accident fund, which is divided into 109 active rate groups for the purpose of issuing assessments and paying benefit expenses. In 1987, the number of employers covered under Schedule 1 grew to 196,000 from 187,000, an increase of 4.8 per cent.

Assessment income in 1987 rose to \$1.96 billion from \$1.6 billion, an increase of \$360 million. The estimated payroll reported by Schedule 1 employers rose to \$65 billion from \$58.6 billion in 1986, a 10.9 per cent increase.

CHANGES IN SCHEDULE 1 ASSESSMENT INCOME AND ASSESSABLE PAYROLL, 1980-1987 (1980 = 100%)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|---------------------------------------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|
| Assessment income (Millions of \$) | \$529.0 | \$601.0 | \$704.0 | \$789.0 | \$1,060.0 | \$1,330.0 | \$1,600.0 | \$1,962.0 |
| Percentage change - Assessment | 100% | 114% | 133% | 149% | 200% | 251% | 302% | 371% |
| Total payroll (Billions of \$) | \$ 32.7 | \$ 37.4 | \$ 40.9 | \$ 42.3 | \$ 48.4 | \$ 52.2 | \$ 58.6 | \$ 65.0 |
| Percentage change - Total payroll | 100% | 114% | 125% | 129% | 148% | 160% | 179% | 199% |

The **earnings ceiling** for assessment purposes for a calendar year is now equal to the January 1st earnings ceiling for benefits. The earnings ceiling for both assessments and benefits for 1987 was set at \$33,600, compared with \$31,500 and \$32,100 respectively in 1986.

Effective January 1, 1987, the minimum earnings for personal coverage (by sole proprietors, partners, independent operators and their spouses) was set at 50 per cent of the assessment ceiling on

earnings, rounded down to the next \$100. For 1987, therefore, the minimum earnings was fixed at \$16,800.

The **average rate of assessment** for every hundred dollars of assessable payroll in 1987 was \$2.88, an increase of 8.7 per cent over the 1986 average rate. The 1987 rates ranged from a low of \$0.09 to a high of \$29.30 per \$100 of payroll. The estimated average for 1988 is \$3.02, a 4.9 per cent increase over the 1987 average rate.

AVERAGE RATE OF ASSESSMENT FOR SCHEDULE 1 EMPLOYERS, 1980-1987 (rate per \$100 of payroll)

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|----------------------------|---------|---------|---------|---------|---------|----------|---------|---------|
| Average rate of assessment | \$ 1.65 | \$ 1.69 | \$ 1.77 | \$ 1.88 | \$ 2.17 | \$ 2.31* | \$ 2.65 | \$ 2.88 |
| Lowest rate of assessment | \$ 0.15 | \$ 0.20 | \$ 0.25 | \$ 0.26 | \$ 0.28 | \$ 0.14 | \$ 0.10 | \$ 0.09 |
| Highest rate of assessment | \$16.15 | \$18.00 | \$20.25 | \$21.85 | \$25.12 | \$25.12 | \$28.05 | \$29.30 |

*The average rate of assessment for 1985, before allowing for the increase in the earnings ceiling under Bill 101, was \$2.46.

The Schedule 1 average annual assessment per worker in 1987 was \$626. This average is based on 109 rate groups, which span a wide variety of industries in Ontario. It is bounded by a low of \$23 per worker and a high of \$8,725 per worker. The estimated average for 1988 is \$678, an average increase of 8.3 per cent.

The Board administers three **experience rating** plans, affecting 56 of 109 rate groups. There were 55,849 firms eligible for experience rating in 1987, of which 75.9 per cent received credits totalling \$67.3 million and 24.1 per cent received surcharges totalling \$52 million.

The Board's Second Injury and Enhancement Fund (SIEF) provides financial relief to Schedule 1 employers when a worker's pre-existing or underlying condition contributes to a new injury or prolongs the period of disability. The share of a claim's cost that is attributable to the prior condition is charged to the fund rather than to the current employer. Compensation and health care benefit costs transferred to SIEF in 1987 totalled \$218,193,858, up from \$167,575,260 in 1986.

STATISTICAL APPENDIX

-- DETAILED CLAIMS PROFILES, 1980-1987

Charts which follow present a detailed breakdown of claims in the province — by nature of injury, disease, industry, and for temporary total, permanent disability and fatal claims — on the basis of claims “initially settled” in the year. This concept differs from the basis of claims information on previous pages of the Annual Report, which record “allowed new claims” by year of accident or year of death, but allows the type of descriptive detail contained in these profiles.

Initially settled claims are claims which are settled or closed for the first time. A claim becomes settled when no further activity is anticipated — for example, when no further compensation payments are expected. Claims which are settled in a given year may be for accidents or diseases which occurred in previous years, although most claims are settled within a few weeks of the accident.

The use of settled claims as a basis of these statistics permits a more detailed breakdown of claims information, and is commonly used by other Boards across Canada.

Definitions of specific claims information presented here are as follows:

Temporary Total (T.T.) Compensation Claim — A T.T. claim is a claim which has been allowed for temporary total compensation benefits. This is commonly referred to as a lost-time claim.

Permanent Disability (P.D.) Claim — A P.D. claim is a claim in which a permanent disability award is made. Most P.D. awards are made for life. Initially settled P.D. claims are P.D. claims which are settled in the year and the first settlement is for P.D. benefits. It does not include P.D. claims which are established after a claim is reopened and subsequently resettled.

Fatal Claim — A fatal claim is one in which a death claim is allowed. Initially settled fatal claims are fatal claims which are settled in the year, regardless of the year in which the death occurred. It does not include fatal claims which are allowed after a claim is reopened and subsequently resettled.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1987

Number of Claims and Percentage of Total Claims

| Part of Body Injured | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | | 1986* | | 1987* | |
|----------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 37,842 | 24.4 | 39,327 | 25.7 | 37,534 | 26.1 | 35,874 | 27.7 | 42,896 | 27.9 | 48,988 | 28.1 | 50,524 | 27.4 | 51,384 | 26.7 |
| Finger(s) | 20,441 | 13.2 | 19,206 | 12.5 | 17,558 | 12.2 | 14,750 | 11.4 | 18,313 | 11.9 | 21,164 | 12.2 | 22,050 | 12.0 | 23,374 | 12.1 |
| Multiple parts | 6,827 | 4.4 | 8,358 | 5.5 | 8,338 | 5.8 | 7,747 | 6.0 | 8,907 | 5.8 | 11,834 | 6.8 | 12,521 | 6.8 | 12,935 | 6.7 |
| Knee | 6,534 | 4.2 | 4,384 | 2.9 | 4,271 | 3.0 | 3,376 | 2.6 | 7,478 | 4.9 | 9,398 | 5.4 | 9,772 | 5.3 | 10,244 | 5.3 |
| Hand | 7,420 | 4.8 | 6,705 | 4.4 | 6,376 | 4.4 | 5,678 | 4.4 | 7,698 | 5.0 | 8,881 | 5.1 | 9,236 | 5.0 | 9,820 | 5.1 |
| Ankle | 8,095 | 5.2 | 7,387 | 4.8 | 6,851 | 4.8 | 5,848 | 4.5 | 7,760 | 5.0 | 9,054 | 5.2 | 9,044 | 4.9 | 9,333 | 4.8 |
| Shoulder | 4,755 | 3.1 | 4,055 | 2.6 | 4,012 | 2.8 | 3,603 | 2.8 | 6,518 | 4.2 | 8,238 | 4.7 | 8,747 | 4.7 | 9,197 | 4.8 |
| Foot | 4,692 | 3.0 | 2,056 | 1.3 | 2,113 | 1.5 | 1,424 | 1.1 | 5,843 | 3.8 | 7,574 | 4.4 | 8,081 | 4.4 | 8,590 | 4.5 |
| Eye(s) | 7,135 | 4.6 | 6,974 | 4.6 | 6,222 | 4.3 | 5,516 | 4.3 | 6,621 | 4.3 | 7,196 | 4.1 | 7,517 | 4.1 | 7,729 | 4.0 |
| Wrist | 4,166 | 2.7 | 3,829 | 2.5 | 3,678 | 2.6 | 3,263 | 2.5 | 3,538 | 2.3 | 3,687 | 2.1 | 4,081 | 2.2 | 4,192 | 2.2 |
| Abdomen | 3,237 | 2.1 | 3,690 | 2.4 | 3,393 | 2.4 | 3,252 | 2.5 | 4,586 | 3.0 | 5,617 | 3.2 | 5,771 | 3.1 | 6,219 | 3.2 |
| Chest | 2,890 | 1.8 | 2,538 | 1.7 | 2,475 | 1.7 | 2,227 | 1.7 | 3,643 | 2.4 | 3,985 | 2.3 | 3,999 | 2.2 | 4,039 | 2.1 |
| Elbow | 2,314 | 1.5 | 1,542 | 1.0 | 1,495 | 1.0 | 1,400 | 1.1 | 2,625 | 1.7 | 3,255 | 1.9 | 3,493 | 1.9 | 3,689 | 1.9 |
| Forearm | 3,978 | 2.6 | 4,847 | 3.2 | 4,199 | 2.9 | 3,975 | 3.1 | 2,945 | 1.9 | 2,929 | 1.7 | 3,237 | 1.7 | 3,578 | 1.9 |
| Lower leg | 6,533 | 4.2 | 9,006 | 5.9 | 8,035 | 5.6 | 8,482 | 6.5 | 4,128 | 2.7 | 3,119 | 1.8 | 2,945 | 1.6 | 2,968 | 1.5 |
| Toe(s) | 2,879 | 1.8 | 3,059 | 2.0 | 2,759 | 1.9 | 2,510 | 1.9 | 2,079 | 1.3 | 2,256 | 1.3 | 2,444 | 1.3 | 2,608 | 1.4 |
| Other | 25,487 | 16.4 | 26,147 | 17.0 | 24,374 | 17.0 | 20,542 | 15.9 | 18,317 | 11.9 | 16,888 | 9.7 | 20,961 | 11.4 | 22,791 | 11.8 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 | 192,690 | 100.0 |

The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985, 1986 and 1987 than in previous years due to the introduction of an enhanced coding program at the Board in 1984

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1987

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984* | | 1985* | | 1986* | | 1987* | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 52,546 | 33.9 | 45,008 | 29.4 | 43,551 | 30.3 | 37,847 | 29.2 | 65,150 | 42.3 | 83,341 | 47.9 | 90,093 | 48.9 | 93,783 | 48.7 |
| Contusions - intact skin | 21,699 | 14.0 | 17,817 | 11.6 | 16,929 | 11.8 | 13,991 | 10.8 | 26,334 | 17.1 | 37,108 | 21.3 | 38,642 | 20.9 | 39,168 | 20.3 |
| Cuts, lacerations, open wounds | 20,724 | 13.4 | 19,552 | 12.8 | 17,930 | 12.5 | 15,885 | 12.3 | 19,552 | 12.7 | 22,096 | 12.7 | 23,653 | 12.8 | 24,882 | 12.9 |
| Fractures | 9,941 | 6.4 | 7,588 | 4.9 | 7,258 | 5.1 | 5,785 | 4.5 | 7,180 | 4.7 | 7,580 | 4.4 | 7,508 | 4.1 | 8,055 | 4.2 |
| Scratches, abrasions | 6,038 | 3.9 | 5,702 | 3.7 | 4,867 | 3.4 | 4,197 | 3.3 | 4,937 | 3.2 | 5,828 | 3.3 | 6,215 | 3.4 | 6,287 | 3.3 |
| Burns or scalds (heat) | 4,273 | 2.8 | 4,083 | 2.7 | 3,744 | 2.6 | 3,259 | 2.5 | 3,787 | 2.5 | 4,251 | 2.4 | 4,403 | 2.4 | 4,546 | 2.3 |
| Hernia, rupture | 1,807 | 1.2 | 1,743 | 1.1 | 1,674 | 1.2 | 1,563 | 1.2 | 1,622 | 1.1 | 1,570 | 0.9 | 1,776 | 0.9 | 1,749 | 0.9 |
| Multiple injuries | 1,236 | 0.8 | 979 | 0.6 | 975 | 0.7 | 654 | 0.5 | 859 | 0.6 | 1,014 | 0.6 | 916 | 0.5 | 750 | 0.4 |
| Dislocation | 706 | 0.5 | 552 | 0.4 | 557 | 0.4 | 381 | 0.3 | 491 | 0.3 | 582 | 0.3 | 597 | 0.3 | 611 | 0.3 |
| Amputation or enucleation | 806 | 0.5 | 615 | 0.4 | 557 | 0.4 | 302 | 0.2 | 344 | 0.2 | 306 | 0.2 | 303 | 0.2 | 349 | 0.2 |
| Concussion - brain, cerebral | 623 | 0.4 | 385 | 0.3 | 381 | 0.3 | 270 | 0.2 | 353 | 0.2 | 350 | 0.2 | 344 | 0.2 | 314 | 0.2 |
| Electric shock, electrocution | 218 | 0.1 | 251 | 0.2 | 168 | 0.1 | 141 | 0.1 | 166 | 0.1 | 164 | 0.1 | 208 | 0.1 | 246 | 0.1 |
| Asphyxia, strangulation, drowning | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 30,264 | 19.3 | 44,436 | 29.0 | 40,835 | 28.3 | 41,575 | 32.1 | 18,966 | 12.3 | 4,635 | 2.7 | 3,508 | 1.9 | 5,098 | 2.6 |
| Total occupational injuries | 150,882 | 97.2 | 148,711 | 97.1 | 139,428 | 97.1 | 125,850 | 97.2 | 149,741 | 97.3 | 168,825 | 97.0 | 178,166 | 96.6 | 185,838 | 96.4 |
| Occupational Disease | | | | | | | | | | | | | | | | |
| Synovitis, tenosynovitis, tendonitis | 282 | 0.2 | 394 | 0.3 | 455 | 0.3 | 307 | 0.2 | 473 | 0.3 | 785 | 0.5 | 1,308 | 0.7 | 1,467 | 0.8 |
| Burn (chemical) | 1,224 | 0.8 | 1,196 | 0.8 | 1,036 | 0.7 | 928 | 0.7 | 962 | 0.6 | 1,176 | 0.7 | 1,402 | 0.8 | 1,451 | 0.8 |
| Fume toxicity, smoke inhalation | 617 | 0.4 | 646 | 0.4 | 638 | 0.5 | 631 | 0.5 | 613 | 0.4 | 822 | 0.5 | 859 | 0.5 | 1,067 | 0.6 |
| Ultraviolet rays, welders' flash | 1,087 | 0.7 | 989 | 0.7 | 892 | 0.6 | 573 | 0.5 | 691 | 0.5 | 832 | 0.5 | 888 | 0.4 | 938 | 0.5 |
| Dermatitis | 680 | 0.4 | 650 | 0.4 | 606 | 0.4 | 523 | 0.4 | 565 | 0.4 | 640 | 0.4 | 668 | 0.4 | 756 | 0.4 |
| Inflammation or irritation of joints, etc. | 105 | 0.1 | 138 | 0.1 | 123 | 0.1 | 135 | 0.1 | 253 | 0.2 | 349 | 0.2 | 554 | 0.3 | 501 | 0.2 |
| Contagious or infectious diseases | 212 | 0.2 | 139 | 0.1 | 203 | 0.1 | 330 | 0.3 | 381 | 0.3 | 414 | 0.2 | 309 | 0.2 | 377 | 0.2 |
| Bursitis | 5 | 0.0 | 20 | 0.0 | 25 | 0.0 | 23 | 0.0 | 18 | 0.0 | 31 | 0.0 | 42 | 0.0 | 51 | 0.0 |
| Pneumoconioses | 31 | 0.0 | 57 | 0.0 | 32 | 0.0 | 29 | 0.0 | 39 | 0.0 | 30 | 0.0 | 36 | 0.0 | 37 | 0.0 |
| Heatstroke, sunstroke, heat cramps | 8 | 0.0 | 16 | 0.0 | 20 | 0.0 | 22 | 0.0 | 19 | 0.0 | 12 | 0.0 | 8 | 0.0 | 35 | 0.0 |
| Freezing, frostbite, etc. | 27 | 0.0 | 74 | 0.1 | 59 | 0.1 | 18 | 0.0 | 54 | 0.0 | 53 | 0.0 | 59 | 0.0 | 28 | 0.0 |
| Hearing loss or impairment | 4 | 0.0 | 3 | 0.0 | 6 | 0.0 | 1 | 0.0 | 6 | 0.0 | 5 | 0.0 | 12 | 0.0 | 10 | 0.0 |
| Caisson's disease | 2 | 0.0 | 8 | 0.0 | 6 | 0.0 | 6 | 0.0 | 1 | 0.0 | 2 | 0.0 | 1 | 0.0 | 2 | 0.0 |
| Tuberculosis | 3 | 0.0 | 7 | 0.0 | 4 | 0.0 | 2 | 0.0 | 4 | 0.0 | 2 | 0.0 | 3 | 0.0 | 5 | 0.0 |
| Silicosis | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 3 | 0.0 | 1 | 0.0 | 3 | 0.0 | 0 | 0.0 |
| Asbestosis | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Tuberculosis and Pneumoconiosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 |
| Other occupational illnesses | 54 | 0.0 | 60 | 0.0 | 150 | 0.1 | 89 | 0.1 | 72 | 0.0 | 84 | 0.0 | 104 | 0.1 | 126 | 0.1 |
| Total occupational diseases | 4,343 | 2.8 | 4,399 | 2.9 | 4,255 | 2.9 | 3,617 | 2.8 | 4,154 | 2.7 | 5,238 | 3.0 | 6,257 | 3.4 | 6,852 | 3.6 |
| Total injuries and diseases | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 | 192,690 | 100.0 |

*The distribution of temporary total compensation settled claims is somewhat different in 1984, 1985, 1986 and 1987 than in previous years due to the introduction of an enhanced coding program at the Board in 1984.

TEMPORARY TOTAL COMPENSATION SETTLED CLAIMS BY INDUSTRY, 1980-1987

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Manufacturing | 62,977 | 40.6 | 60,238 | 39.3 | 53,800 | 37.4 | 46,020 | 35.5 | 58,100 | 37.8 | 67,738 | 38.9 | 73,802 | 40.0 | 76,713 | 39.8 |
| Service | 20,370 | 13.1 | 22,016 | 14.4 | 22,081 | 15.4 | 21,249 | 16.4 | 25,105 | 16.3 | 29,215 | 16.8 | 31,363 | 17.0 | 33,408 | 17.3 |
| Trade, wholesale and retail | 22,236 | 14.3 | 22,217 | 14.5 | 21,015 | 14.6 | 19,137 | 14.8 | 22,537 | 14.6 | 25,741 | 14.8 | 27,738 | 15.0 | 28,902 | 15.0 |
| Construction | 13,357 | 8.6 | 13,121 | 8.6 | 12,194 | 8.5 | 10,553 | 8.2 | 12,309 | 8.0 | 13,489 | 7.7 | 14,821 | 8.0 | 16,753 | 8.7 |
| Transportation and communications | 12,868 | 8.3 | 13,686 | 9.0 | 15,657 | 10.9 | 14,233 | 11.0 | 15,991 | 10.4 | 16,877 | 9.7 | 16,723 | 9.1 | 16,568 | 8.6 |
| Public administration and defence | 15,950 | 10.3 | 14,531 | 9.5 | 12,477 | 8.7 | 12,644 | 9.8 | 13,009 | 8.5 | 14,221 | 8.2 | 13,629 | 7.4 | 14,152 | 7.3 |
| Agriculture | 1,988 | 1.3 | 2,032 | 1.3 | 2,035 | 1.4 | 2,010 | 1.6 | 2,351 | 1.5 | 2,316 | 1.3 | 2,327 | 1.3 | 2,197 | 1.2 |
| Mines, quarries and oil wells | 2,976 | 1.9 | 2,769 | 1.8 | 2,127 | 1.5 | 1,476 | 1.1 | 1,895 | 1.2 | 1,700 | 1.0 | 1,447 | 0.8 | 1,577 | 0.8 |
| Finance, insurance and real estate | 1,331 | 0.9 | 1,407 | 0.9 | 1,331 | 0.9 | 1,211 | 0.9 | 1,404 | 0.9 | 1,536 | 0.9 | 1,514 | 0.8 | 1,530 | 0.8 |
| Forestry | 1,145 | 0.7 | 1,060 | 0.7 | 943 | 0.7 | 900 | 0.7 | 1,163 | 0.8 | 1,189 | 0.7 | 1,022 | 0.6 | 848 | 0.5 |
| Fishing and trapping | 27 | 0.0 | 33 | 0.0 | 23 | 0.0 | 34 | 0.0 | 31 | 0.0 | 41 | 0.0 | 37 | 0.0 | 42 | 0.0 |
| Total claims | 155,225 | 100.0 | 153,110 | 100.0 | 143,683 | 100.0 | 129,467 | 100.0 | 153,895 | 100.0 | 174,063 | 100.0 | 184,423 | 100.0 | 192,690 | 100.0 |

PERMANENT DISABILITY SETTLED CLAIMS BY PART OF BODY INJURED, 1980-1987

Number of Claims and Percentage of Total Claims

| Part of Body | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|----------------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Back | 1,152 | 25.7 | 1,489 | 29.7 | 1,686 | 28.1 | 2,357 | 30.2 | 2,839 | 30.7 | 2,478 | 29.9 | 2,921 | 32.5 | 2,623 | 27.8 |
| Finger(s) | 1,084 | 24.2 | 970 | 19.3 | 1,119 | 18.7 | 1,217 | 15.6 | 1,333 | 14.4 | 1,337 | 16.1 | 1,226 | 13.6 | 1,421 | 15.1 |
| Multiple parts | 324 | 7.2 | 329 | 6.6 | 356 | 5.9 | 600 | 7.7 | 691 | 7.5 | 687 | 8.3 | 790 | 8.8 | 838 | 8.9 |
| Knee | 237 | 5.3 | 248 | 4.9 | 270 | 4.5 | 332 | 4.3 | 380 | 4.1 | 331 | 4.0 | 389 | 4.3 | 476 | 5.0 |
| Shoulder | 93 | 2.1 | 132 | 2.6 | 170 | 2.8 | 242 | 3.1 | 243 | 2.6 | 190 | 2.3 | 346 | 3.8 | 407 | 4.3 |
| Hand | 162 | 3.6 | 155 | 3.1 | 170 | 2.8 | 214 | 2.7 | 289 | 3.1 | 251 | 3.0 | 243 | 2.7 | 304 | 3.2 |
| Wrist | 141 | 3.1 | 133 | 2.6 | 117 | 2.0 | 175 | 2.2 | 201 | 2.2 | 211 | 2.5 | 215 | 2.4 | 256 | 2.7 |
| Ankle | 78 | 1.7 | 107 | 2.1 | 113 | 1.9 | 149 | 1.9 | 182 | 2.0 | 149 | 1.8 | 199 | 2.2 | 211 | 2.2 |
| Foot | 76 | 1.7 | 99 | 2.0 | 95 | 1.6 | 116 | 1.5 | 119 | 1.3 | 102 | 1.2 | 147 | 1.6 | 187 | 2.0 |
| Lower leg | 77 | 1.7 | 99 | 2.0 | 134 | 2.3 | 235 | 3.0 | 319 | 3.5 | 262 | 3.2 | 200 | 2.2 | 169 | 1.8 |
| Elbow | 47 | 1.1 | 61 | 1.2 | 68 | 1.1 | 88 | 1.1 | 94 | 1.0 | 100 | 1.2 | 143 | 1.6 | 156 | 1.7 |
| Forearm | 73 | 1.6 | 60 | 1.2 | 97 | 1.6 | 115 | 1.5 | 159 | 1.7 | 131 | 1.6 | 117 | 1.3 | 118 | 1.3 |
| Eye(s) | 59 | 1.3 | 58 | 1.2 | 60 | 1.0 | 66 | 0.8 | 62 | 0.7 | 57 | 0.7 | 47 | 0.5 | 45 | 0.5 |
| Chest | 18 | 0.4 | 26 | 0.5 | 24 | 0.4 | 35 | 0.5 | 28 | 0.3 | 41 | 0.5 | 44 | 0.5 | 45 | 0.5 |
| Toe(s) | 37 | 0.8 | 23 | 0.5 | 30 | 0.5 | 48 | 0.6 | 71 | 0.8 | 45 | 0.5 | 36 | 0.4 | 42 | 0.4 |
| Abdomen | 27 | 0.6 | 19 | 0.4 | 37 | 0.6 | 37 | 0.5 | 78 | 0.8 | 68 | 0.8 | 50 | 0.6 | 33 | 0.4 |
| Other | 804 | 17.9 | 1,011 | 20.1 | 1,452 | 24.2 | 1,784 | 22.8 | 2,150 | 23.3 | 1,854 | 22.4 | 1,889 | 21.0 | 2,097 | 22.2 |
| Total claims | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 | 9,002 | 100.0 | 9,428 | 100.0 |

PERMANENT DISABILITY SETTLED CLAIMS BY NATURE OF INJURY AND DISEASE, 1980-1987

Number of Claims and Percentage of Total Claims

| Occupational Injury | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Sprains, strains | 1,194 | 26.6 | 1,479 | 29.5 | 1,732 | 28.9 | 2,350 | 30.0 | 2,696 | 29.2 | 2,310 | 27.9 | 3,283 | 36.5 | 3,629 | 38.5 |
| Contusions - intact skin | 301 | 6.7 | 342 | 6.8 | 375 | 6.3 | 495 | 6.3 | 599 | 6.5 | 552 | 6.7 | 909 | 10.1 | 1,142 | 12.1 |
| Cuts, lacerations, open wounds | 544 | 12.1 | 465 | 9.3 | 586 | 9.8 | 683 | 8.8 | 772 | 8.4 | 801 | 9.7 | 759 | 8.4 | 937 | 9.9 |
| Fractures | 736 | 16.4 | 699 | 13.9 | 768 | 12.8 | 1,007 | 12.9 | 997 | 10.8 | 877 | 10.6 | 830 | 9.2 | 912 | 9.7 |
| Amputation or enucleation | 410 | 9.1 | 404 | 8.0 | 382 | 6.4 | 343 | 4.4 | 372 | 4.0 | 307 | 3.7 | 280 | 3.1 | 323 | 3.4 |
| Multiple injuries | 154 | 3.4 | 152 | 3.0 | 173 | 2.9 | 236 | 3.0 | 189 | 2.0 | 200 | 2.4 | 202 | 2.3 | 224 | 2.4 |
| Dislocation | 27 | 0.6 | 41 | 0.8 | 45 | 0.8 | 62 | 0.8 | 49 | 0.5 | 37 | 0.4 | 57 | 0.6 | 55 | 0.6 |
| Burns or scalds (heat) | 34 | 0.8 | 33 | 0.7 | 36 | 0.6 | 42 | 0.5 | 67 | 0.7 | 40 | 0.5 | 30 | 0.4 | 50 | 0.5 |
| Scratches, abrasions | 28 | 0.6 | 27 | 0.5 | 33 | 0.6 | 36 | 0.5 | 29 | 0.3 | 34 | 0.4 | 32 | 0.4 | 30 | 0.3 |
| Concussion - brain, cerebral | 8 | 0.2 | 17 | 0.3 | 18 | 0.3 | 27 | 0.3 | 23 | 0.3 | 20 | 0.2 | 20 | 0.2 | 18 | 0.2 |
| Hernia, rupture | 8 | 0.2 | 3 | 0.1 | 10 | 0.1 | 7 | 0.1 | 13 | 0.1 | 17 | 0.2 | 11 | 0.1 | 7 | 0.1 |
| Electric shock, electrocution | 8 | 0.2 | 8 | 0.2 | 10 | 0.1 | 12 | 0.2 | 14 | 0.2 | 11 | 0.1 | 11 | 0.1 | 4 | 0.1 |
| Asphyxia, strangulation, drowning | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Other and unspecified injuries | 630 | 14.0 | 786 | 15.7 | 1,031 | 17.1 | 1,682 | 21.5 | 2,309 | 25.0 | 2,111 | 25.4 | 1,406 | 15.6 | 643 | 6.8 |
| Total occupational injuries | 4,082 | 90.9 | 4,457 | 88.8 | 5,199 | 86.7 | 6,982 | 89.3 | 8,129 | 88.0 | 7,317 | 88.2 | 7,830 | 87.0 | 7,974 | 84.6 |
| Occupational Disease | | | | | | | | | | | | | | | | |
| Hearing loss or impairment | 349 | 7.8 | 447 | 8.9 | 667 | 11.1 | 630 | 8.1 | 841 | 9.1 | 758 | 9.2 | 902 | 10.0 | 994 | 10.5 |
| Inflammation or irritation of joints, etc. | 11 | 0.3 | 21 | 0.4 | 31 | 0.5 | 57 | 0.7 | 119 | 1.3 | 107 | 1.3 | 89 | 1.0 | 247 | 2.6 |
| Synovitis, tenosynovitis, tendonitis | 12 | 0.3 | 18 | 0.4 | 19 | 0.3 | 31 | 0.4 | 47 | 0.5 | 28 | 0.3 | 64 | 0.7 | 86 | 0.9 |
| Dermatitis | 6 | 0.1 | 9 | 0.2 | 14 | 0.2 | 33 | 0.4 | 30 | 0.4 | 19 | 0.2 | 23 | 0.3 | 31 | 0.3 |
| Fume toxicity, smoke inhalation | 0 | 0.0 | 5 | 0.1 | 5 | 0.1 | 2 | 0.0 | 4 | 0.0 | 3 | 0.0 | 8 | 0.1 | 16 | 0.2 |
| Burn (chemical) | 4 | 0.1 | 6 | 0.1 | 5 | 0.1 | 14 | 0.2 | 12 | 0.2 | 8 | 0.1 | 7 | 0.1 | 9 | 0.1 |
| Pneumoconioses | 1 | 0.0 | 5 | 0.1 | 10 | 0.2 | 7 | 0.1 | 7 | 0.1 | 6 | 0.1 | 5 | 0.1 | 9 | 0.1 |
| Asbestosis | 6 | 0.1 | 10 | 0.2 | 5 | 0.1 | 6 | 0.1 | 4 | 0.0 | 5 | 0.1 | 12 | 0.1 | 8 | 0.1 |
| Silicosis | 7 | 0.2 | 16 | 0.3 | 20 | 0.3 | 6 | 0.1 | 10 | 0.1 | 8 | 0.1 | 20 | 0.2 | 6 | 0.1 |
| Bursitis | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 4 | 0.0 | 1 | 0.0 | 4 | 0.0 | 4 | 0.1 |
| Ultraviolet rays, welders' flash | 1 | 0.0 | 3 | 0.1 | 5 | 0.1 | 4 | 0.1 | 4 | 0.0 | 1 | 0.0 | 1 | 0.0 | 3 | 0.0 |
| Contagious or infectious diseases | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 2 | 0.0 | 1 | 0.0 | 0 | 0.0 | 1 | 0.0 | 2 | 0.0 |
| Freezing, frostbite, etc. | 0 | 0.0 | 1 | 0.0 | 1 | 0.0 | 4 | 0.1 | 4 | 0.0 | 0 | 0.0 | 3 | 0.0 | 1 | 0.0 |
| Caisson's disease | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Tuberculosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Tuberculosis and pneumoconiosis | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 | 1 | 0.0 | 0 | 0.0 |
| Other occupational illnesses | 10 | 0.2 | 19 | 0.4 | 17 | 0.3 | 30 | 0.4 | 21 | 0.3 | 32 | 0.4 | 31 | 0.4 | 38 | 0.4 |
| Total occupational diseases | 407 | 9.1 | 562 | 11.2 | 799 | 13.3 | 828 | 10.7 | 1,109 | 12.0 | 977 | 11.8 | 1,172 | 13.0 | 1,454 | 15.4 |
| Total injuries and diseases | 4,489 | 100.0 | 5,019 | 100.0 | 5,998 | 100.0 | 7,810 | 100.0 | 9,238 | 100.0 | 8,294 | 100.0 | 9,002 | 100.0 | 9,428 | 100.0 |

FATAL SETTLED CLAIMS BY INDUSTRY, 1980-1987

Number of Claims and Percentage of Total Claims

| Industry | 1980 | | 1981 | | 1982 | | 1983 | | 1984 | | 1985 | | 1986 | | 1987 | |
|------------------------------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % | Claims | % |
| Construction | 30 | 15.2 | 47 | 21.4 | 31 | 15.2 | 21 | 11.7 | 28 | 14.0 | 34 | 23.6 | 22 | 14.8 | 49 | 25.1 |
| Mines, quarries and oil wells | 33 | 16.7 | 20 | 9.1 | 22 | 10.8 | 15 | 8.4 | 23 | 11.5 | 18 | 12.5 | 24 | 16.1 | 44 | 22.6 |
| Manufacturing | 39 | 19.7 | 51 | 23.2 | 49 | 24.0 | 50 | 27.9 | 60 | 30.0 | 34 | 23.6 | 42 | 28.2 | 36 | 18.5 |
| Transportation and communications | 25 | 12.6 | 38 | 17.3 | 36 | 17.7 | 36 | 20.1 | 25 | 12.5 | 16 | 11.1 | 18 | 12.1 | 28 | 14.4 |
| Service | 9 | 4.5 | 15 | 6.8 | 22 | 10.8 | 13 | 7.3 | 17 | 8.5 | 8 | 5.6 | 7 | 4.7 | 10 | 5.1 |
| Trade, wholesale and retail | 26 | 13.2 | 13 | 5.9 | 16 | 7.8 | 17 | 9.5 | 15 | 7.5 | 11 | 7.6 | 15 | 10.1 | 9 | 4.6 |
| Public administration and defence | 21 | 10.6 | 15 | 6.8 | 10 | 4.9 | 13 | 7.3 | 11 | 5.5 | 13 | 9.0 | 11 | 7.4 | 7 | 3.6 |
| Forestry | 9 | 4.5 | 6 | 2.7 | 6 | 2.9 | 8 | 4.5 | 7 | 3.5 | 2 | 1.4 | 5 | 3.3 | 5 | 2.6 |
| Finance, insurance and real estate | 0 | 0.0 | 3 | 1.3 | 0 | 0.0 | 1 | 0.5 | 1 | 0.5 | 3 | 2.1 | 0 | 0.0 | 4 | 2.0 |
| Agriculture | 5 | 2.5 | 7 | 3.2 | 11 | 5.4 | 5 | 2.8 | 9 | 4.5 | 5 | 3.5 | 4 | 2.7 | 3 | 1.5 |
| Fishing and trapping | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 | 3 | 1.5 | 0 | 0.0 | 1 | 0.6 | 0 | 0.0 |
| Unknown | 1 | 0.5 | 5 | 2.3 | 0 | 0.0 | 0 | 0.0 | 1 | 0.5 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Total claims | 198 | 100.0 | 220 | 100.0 | 204 | 100.0 | 179 | 100.0 | 200 | 100.0 | 144 | 100.0 | 149 | 100.0 | 195 | 100.0 |

Financial Report

WORKERS' COMPENSATION BOARD FINANCIAL REPORT Year Ended December 31, 1987

CONTENTS

| | |
|--|----|
| Financial Report | 36 |
| Responsibility for Financial Reporting | 40 |
| Audited Financial Statements: | |
| Statement of Income and Expenses | 41 |
| Auditor's Opinion | 42 |
| Balance Sheet | 43 |
| Consulting Actuary's Report | 44 |
| Statement of Changes in Financial Position | 45 |
| Notes to the Financial Statements | 46 |
| Ten-Year History | 56 |

Financial Report

PRESENTATION:

The mandate of the Workers' Compensation Board is to collect revenue from employers to compensate their employees for work-related injuries.

Statutory obligations require that the Board act for two groups of employers: Schedule 1, the majority of the employers, who are insured through collective liability, and Schedule 2 who are self-insurers, whose costs are administered for them by the Workers' Compensation Board on a "pay-as-you-go" basis.

The following comments will assist the reader in understanding the WCB's financial statements:

HIGHLIGHTS:

| | 1987 | 1986 | Change |
|---------------------------|---------------|-------|--------|
| | (\$ Millions) | | % |
| Total revenue | 2,364 | 1,953 | + 21.0 |
| Total awards and expenses | 2,848 | 2,780 | + 2.4 |
| Assets | 3,702 | 3,004 | + 23.2 |

FINANCIAL POSITION:

In 1987, Board assets climbed to \$3.7 billion, most of which are marketable investments, an increase of 23% over 1986.

On the other hand, total (current and future) liabilities at \$10.4 billion increased by less than 13%.

While total liabilities exceed total assets (giving rise to the existence of an "unfunded liability"), the WCB is financially sound and able to meet all foreseeable future obligations:

- Annual revenues far exceed annual cash payments, a situation that is expected to continue indefinitely.
- 1987 revenues more than cover the total cost of 1987 claims.
- While the overall size of actuarial liabilities is substantial (\$10.2 billion), only small portions of this amount are expected to fall due (i.e. to be paid) in the next few years. In each of those years, it is expected that these liabilities will be covered by future revenues and, therefore, existing assets are expected to continue to grow.
- The Board's published strategy to eliminate the unfunded liability is in place and on target.

As shown in the Ten-Year Summary, the Board's unfunded liability has risen substantially in the last few years. This is primarily as a result of:

- Ad hoc legislated increases to benefit levels.

-
- Limits placed on individual assessment rate increases.
 - Delays in assessing based on new maximum earnings ceilings when changed/legislated.
 - Increasing propensity with which a disability is considered to have a permanent residual effect.

RESULTS OF OPERATIONS:

In 1987, the WCB continued to see a large positive net cash flow: \$966 million. This cash flow, which has been invested, is the result of two principal factors:

- Timing differences:
Our assessment rates are established to cover the full expected cost of current known claims: current year's claims involve not only current payments but also the significant future payments which are expected to be required.
- Inclusion of a surcharge:
Our assessment rates have been increased during the past 3 years by a small surcharge, in a planned strategy to fully fund total liabilities over a period of 30 years.

However, on an accrual basis, comparing (a) the expected total cost for 1987 claims (i.e. payments made plus payments expected to arise in the future, when all costs are in), plus payments made in 1987 on prior year claims, with (b) the total revenues we collected, the result is an excess of claims benefits and expenses over income, by an amount of \$484 million.

RATE SETTING:

The administrative work of the Board includes responsibility for classifying, assessing, auditing and collecting employer accounts; setting assessment rates together with administering experience rating plans; monitoring the investment portfolio; and providing accounting and budgeting services for the Board's claims and administrative activities.

In 1987, the Board continued to use a rate setting philosophy which provides for collective liability among employers, but which also reflects the realities of their own businesses and industry groups.

In 1987, 196,000 employers were assessed by the Workers' Compensation Board. The average assessment rate per hundred dollars of assessable payroll was \$2.88 in 1987, an increase of 8.7% over the 1986 average rate of \$2.65. The maximum assessable earnings increased to \$33,600 in 1987 from \$31,500 in 1986. These increases, along with larger payrolls reported by Ontario employers, resulted in a 23% increase in assessment revenue, from \$1.6 billion in 1986 to \$1.96 billion in 1987.

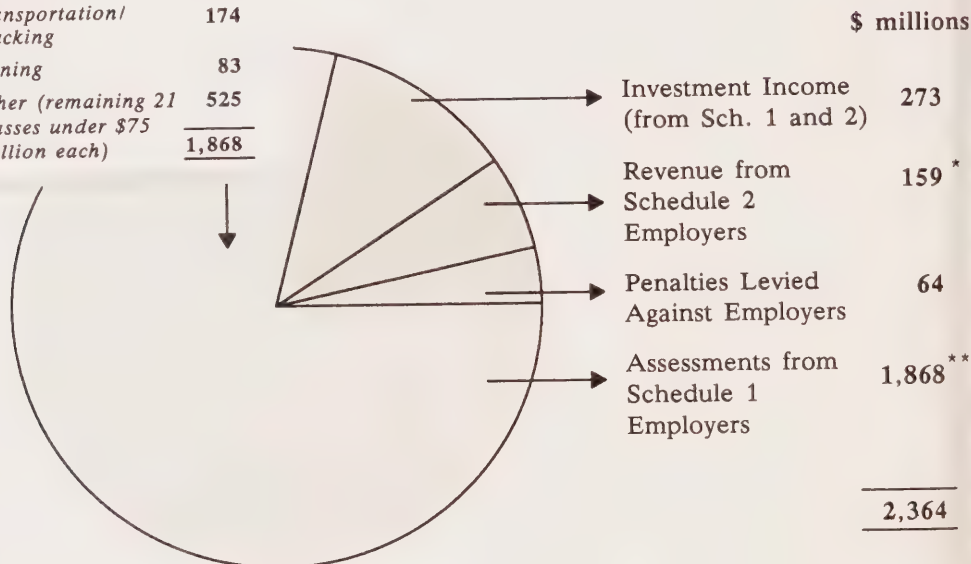
It is the policy of the Board to set and publish rates at an early date so that employers may budget for the coming fiscal year. Assessment rates for 1988 were approved by the Board on October 2, 1987. The average increase over 1987 will be 4.9%, with no individual rate increase greater than 10%, and, altogether, 22 rate groups will experience a rate decline for 1988.

REVENUE AND EXPENSE:

The next two pages show principal sources of revenue and where that money is spent:

REVENUE – WHERE THE MONEY COMES FROM

| Industry | \$ millions |
|--|--------------|
| manufacturing (general) | 308 |
| construction | 319 |
| hospitals, restaurants, wholesale | 234 |
| manufacturing (vehicles) | 225 |
| transportation/trucking | 174 |
| mining | 83 |
| other (remaining 21 classes under \$75 million each) | 525 |
| | <u>1,868</u> |

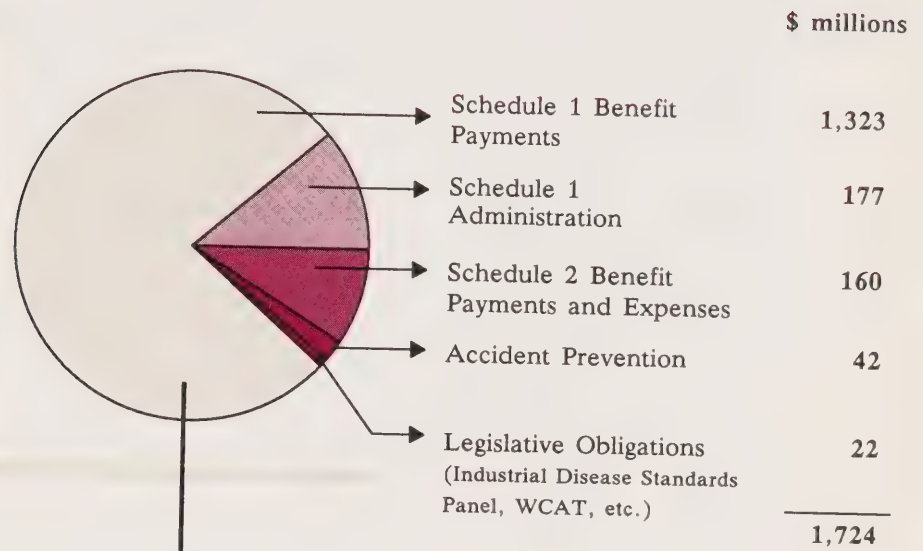


* Revenue from Schedule 2 employers is broken down as follows:

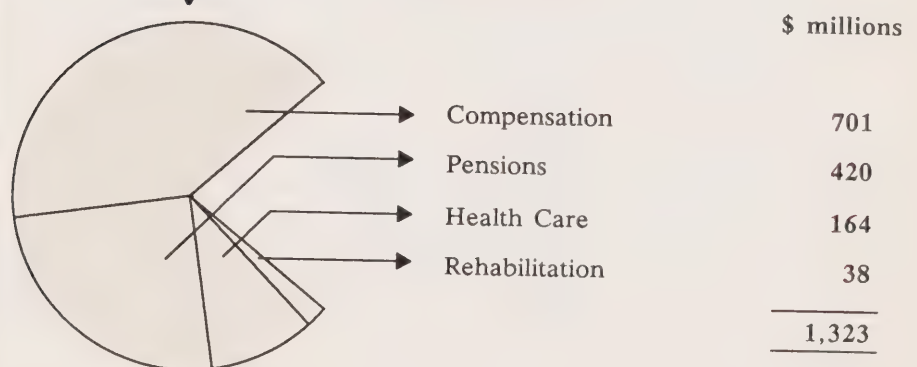
| | \$ millions |
|-------------------------------------|-------------|
| Provincial and Municipal Government | 97 |
| Federal Government | 28 |
| Others | 34 |
| | <u>159</u> |

** Total assessment revenue of \$1,868,000,000 is shown net of bad debts and experience rating credits and includes the 1987 assessment accrual of \$112,000,000.

SPENDING – WHERE THE MONEY GOES



Benefits Schedule 1



The pages that follow are the WCB's official "annual financial statements", prepared to comply with all statutory requirements and in accordance with the policies detailed on page 46.

Responsibility for Financial Reporting

The accompanying financial statements were prepared by management in accordance with generally accepted accounting principles, consistently applied, and include some amounts based upon management's best estimates and judgements. Any financial information contained elsewhere in the annual report conforms to these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss. The Board of Directors has established an Audit Committee, comprised of three directors who are not officers or employees of the Board, to ensure that management fulfills these responsibilities. The Audit Committee meets periodically with management, the internal auditors and the external auditors to ensure that their responsibilities are properly discharged, with respect to financial statement presentation, and disclosure and recommendations on internal control.

The Internal Audit Branch performs audits designed to test the adequacy and consistency of the Board's internal controls, practices and procedures.

The external auditors, Deloitte, Haskins & Sells, working on behalf and under the direction of the Provincial Auditor, have performed an independent examination of the financial statements of the Board in accordance with generally accepted auditing standards and accordingly included an evaluation of the Board's systems of internal control. The Provincial Auditor's report outlines the scope of this independent examination and his opinion on the financial statements of the Board.

The firm of Eckler Partners Ltd. has been appointed as the independent consulting actuaries to the Board for year-end 1987. Their opinion on the adequacy and appropriateness of the valuation of the Board's actuarial liabilities, and on the proper provision for these costs, is presented as a part of these financial statements.

Alan D. Wolfson
*Vice-Chairman of Administration
and President*

Robert J. Barnett
*Executive Director
Finance and Administration
and Chief Financial Officer*

May 20, 1988

Statement of Income and Expenses

WORKERS' COMPENSATION BOARD Year Ended December 31, 1987

| | 1987 | | | 1986 |
|---|-----------------|--|-----------------------|-----------------------|
| | Self Insured | Insured Through Collective Liability | Total | Total |
| | (in \$000's) | | | |
| INCOME | | | | |
| Assessment (Note 10) | \$ 159,552 | \$ 1,932,203 | \$ 2,091,755 | \$ 1,736,480 |
| Investment (Note 13) | 124 | 272,589 | 272,713 | 216,705 |
| | <u>159,676</u> | <u>2,204,792</u> | <u>2,364,468</u> | <u>1,953,185</u> |
| EXPENSES | | | | |
| Awards | | | | |
| - Benefits paid (Note 12) | 140,047 | 1,323,462 | 1,463,509 | 1,246,269 |
| - Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | | | | |
| - special | - | - | - | 250,000 |
| - normal | - | 1,096,000 | 1,096,000 | 1,054,000 |
| | <u>140,047</u> | <u>2,419,462</u> | <u>2,559,509</u> | <u>2,550,269</u> |
| - Total value of benefit claims/awards | 140,047 | 2,419,462 | 2,559,509 | 2,550,269 |
| Administrative and other expenses (Note 14) | 19,803 | 268,810 | 288,613 | 230,124 |
| | <u>159,850</u> | <u>2,688,272</u> | <u>2,848,122</u> | <u>2,780,393</u> |
| Excess of expenses over income | (174) | (483,480) | (483,654) | (827,208) |
| Charge to Schedule 2 deposits | \$ 174 | | 174 | 832 |
| Unfunded liability, beginning of year | | (6,207,178) | (6,207,178) | (5,380,802) |
| Unfunded liability, end of year | | <u>\$ (6,690,658)</u> | <u>\$ (6,690,658)</u> | <u>\$ (6,207,178)</u> |



OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas St. West
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Workers' Compensation Board
and to the Minister of Labour

I have examined the balance sheet of the Workers' Compensation Board as at December 31, 1987 and the statements of income and expenses and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the change in the method of accounting for employee pension costs, obligations and assets as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Toronto, Ontario
May 20, 1988

D. F. Archer, F.C.A.
Provincial Auditor

Balance Sheet

WORKERS' COMPENSATION BOARD December 31, 1987

| | Note | 1987 | 1986 |
|---|------|---------------------|---------------------|
| (in \$000's) | | | |
| ASSETS | | | |
| Cash | | \$ 4,555 | \$ 7,286 |
| Investments | 4 | 3,352,329 | 2,345,691 |
| Other assets | 5 | 314,633 | 632,644 |
| Fixed assets | 6 | 30,629 | 18,116 |
| | | <u>\$ 3,702,146</u> | <u>\$ 3,003,737</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges | 9 | \$ 138,590 | \$ 62,834 |
| Current portion of future payments to existing claimants for past claims | 7 | 950,000 | 840,000 |
| Capital lease obligations | 16 | 6,577 | - |
| Net deposits | 8 | 27,637 | 24,081 |
| | | <u>1,122,804</u> | <u>926,915</u> |
| Estimated present value of future payments to existing Schedule 1 claimants | | | |
| Less: current portion | 7 | <u>9,270,000</u> | <u>8,284,000</u> |
| | | 10,392,804 | 9,210,915 |
| Contingent liability | 17 | - | - |
| Unfunded liability | 18 | (6,690,658) | (6,207,178) |
| | | <u>\$ 3,702,146</u> | <u>\$ 3,003,737</u> |

On behalf of the Board:

Robert G. Elgie
Director

Alan D. Wolfson
Director

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1 Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1987

The estimated present value of future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1987 in the amount of \$10.22 billion has been determined by the Board's Staff Actuaries, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

The present value reported above makes provision for estimated benefit payments in all future years arising from accidents that occurred on or before December 31, 1987. The portion of such payments expected to be made in 1988 is approximately \$0.95 billion. This amount was determined on the basis of the long term assumptions appropriate for the determination of the present value and using a simplified methodology. It does not represent a forecast of actual 1988 benefit payments, which will be influenced by short-term factors.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of December 31, 1987. Full provision has been made for potential future increases in the covered earnings ceiling and in the level of pensions and temporary compensation as provided under the Act by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation.

The present value includes the estimated present value of additional payments resulting from the amendments to the Act contained in Bill 101. Although it was necessary to use a number of approximations in estimating this amount, the effect of these approximations is not material for the purposes of the valuation.

The methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

We understand that certain decisions rendered by the Workers' Compensation Appeals Tribunal may have the effect of altering the adjudication of workers' compensation claims, which could result in a significant increase in the present value of future benefit payments. It is not possible to quantify this potential increase at this time.

In our opinion, which includes the foregoing comments, the amount of \$10.22 billion as at December 31, 1987 makes reasonable provision for future compensation, pension payments and health care under Schedule 1 on account of accidents that occurred on or before December 31, 1987.

Samuel Eckler, F.S.A., F.C.I.A.

David A. Short, F.S.A., F.C.I.A.

Actuaries with the firm of
Eckler Partners Ltd.

May 20, 1988

Statement of Changes in Financial Position

WORKERS' COMPENSATION BOARD Year Ended December 31, 1987

| | 1987 | 1986 |
|---|-----------------|-----------------|
| | (in \$000's) | |
| CASH PROVIDED BY OPERATIONS | | |
| Excess of expenses over income, after increase in actuarial provision | \$ (483,654) | \$ (827,208) |
| Items not requiring an outlay of cash: | | |
| Amortization of losses on long-term investments | 6,446 | 6,241 |
| Amortization of discounts on long-term investments | (59,214) | (21,370) |
| Depreciation and amortization of fixed assets | 2,707 | 2,485 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | 1,096,000 | 1,304,000 |
| Decrease (increase) in other assets | 318,011 | (59,650) |
| Increase in accounts payable and accrued charges | 82,333 | 6,419 |
| Increase in Schedule 2 deposits | 3,730 | 3,030 |
| | <u>966,359</u> | <u>413,947</u> |
| INVESTMENT ACTIVITIES | | |
| Purchase of investments | 11,400,609 | 6,053,680 |
| Proceeds on sale or maturity of investments | (10,446,739) | (5,649,193) |
| Net cash invested | <u>953,870</u> | <u>404,487</u> |
| Purchase of fixed assets | <u>15,220</u> | <u>4,325</u> |
| | <u>969,090</u> | <u>408,812</u> |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | (2,731) | 5,135 |
| Cash balance beginning of year | <u>7,286</u> | <u>2,151</u> |
| Cash balance end of year | <u>\$ 4,555</u> | <u>\$ 7,286</u> |

Notes to the Financial Statements

December 31, 1987

1. NATURE OF OPERATIONS

The Workers' Compensation Board is an independent corporation, which operates by virtue of a statute passed in 1914 and amendments thereafter.

The Board differentiates employers into two groups — referred to as Schedules 1 and 2 by the *Act*:

Schedule 1 relates to industries where the employers are required to contribute to the Workers' Compensation Board's Accident Fund, and Schedule 2 relates to self-insurers — that is, industries where employers are individually liable for the costs of compensation, health care, rehabilitative costs and pensions paid to their workforce, all of which is done for them by the Workers' Compensation Board, which is then reimbursed for these costs.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The financial statements have been prepared in accordance with generally accepted accounting principles.

Investments:

Investments are carried at amortized cost for bonds and amortized cost less principal repayments for mortgages. The difference between the proceeds on the sale of a bond or mortgage and its book value is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of the period to maturity of the security sold and 20 years.

Short-term investments are fixed income investments that when purchased had a maturity of one year or less. These are also carried at amortized cost.

Fixed assets:

Fixed assets are stated at cost. Buildings, equipment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of the assets over their estimated useful lives.

Assessment income:

Assessment income is determined on the basis of estimated payrolls reported by employers. At year end an accrual is calculated to include the additional assessment anticipated as a result of the actual payrolls being greater than estimated.

Leases:

Leases are classified as either capital or operating. Capital leases are those which transfer substantially all of the benefits and risks of the ownership of property, and are recorded as the acquisition of an asset and the incurrence of an obligation. The asset is amortized over its useful life and the obligation is liquidated over the life of the lease. Other leases are operating leases and the related rental costs are charged to expense as incurred.

3. CHANGE IN ACCOUNTING POLICY

Pensions:

Effective January 1, 1987, the Board has adopted prospectively the new recommendations of the Canadian Institute of Chartered Accountants on accounting for employee pension costs. As a result, the difference between the market value of the Board's defined benefit-based pension assets of \$276.2 million and the related accrued pension benefits of \$207.0 million is being amortized over the expected average remaining service life of the related employee group. The effect on income of this change in accounting policy is not material. See also Note 20.

4. INVESTMENTS

| | 1987 | 1986 |
|---|---------------------|---------------------|
| | (\$000's) | |
| AT COST: | | |
| Bonds | \$ 1,854,490 | \$ 1,572,277 |
| Mortgages | 424,970 | 419,360 |
| Equities | 207,372 | 132,330 |
| Unamortized portion of realized losses net of gains on sale of investments | 22,431 | 25,527 |
| | 2,509,263 | 2,149,494 |
| Short-term | 843,066 | 196,197 |
| | <u>\$ 3,352,329</u> | <u>\$ 2,345,691</u> |
| AT MARKET VALUE: | | |
| Bonds | \$ 1,841,145 | \$ 1,675,944 |
| Mortgages | 424,970 | 419,360 |
| Equities | 202,616 | 114,075 |
| | 2,468,731 | 2,209,379 |
| Short-term | 843,066 | 196,197 |
| | <u>\$ 3,311,797</u> | <u>\$ 2,405,576</u> |

5. OTHER ASSETS

| | 1987 | 1986 |
|---------------------------------------|-------------------|-------------------|
| | (\$000's) | |
| Accrued investment income | \$ 46,795 | \$ 45,637 |
| Accrued assessment and penalty income | 89,575 | 110,000 |
| Assessment and other receivables | 171,093 | 473,163 |
| Prepaid employee pension expense | 5,418 | — |
| Prepaid expenses | 1,752 | 3,844 |
| | <u>\$ 314,633</u> | <u>\$ 632,644</u> |

6. FIXED ASSETS

| | Cost | Accumulated Depreciation and Amortization | Net Book Value | Depreciation and Amortization Rates |
|------------------------|------------------|--|-------------------|--|
| | | (\$000's) | | % |
| Land | \$ 6,754 | \$ - | \$ 6,754 | - |
| Buildings | 11,087 | 6,673 | 4,414 | 2 1/2 |
| Leasehold improvements | 4,988 | 2,926 | 2,062 | 10 |
| Equipment | 31,442 | 14,482 | 16,960 | 20 * |
| Motor vehicles | 1,631 | 1,192 | 439 | 25 |
| | <u>\$ 55,902</u> | <u>\$ 25,273</u> | <u>\$ 30,629</u> | |

* Except capital leases (cost \$10,784), which are amortized over the lease term.

7. ESTIMATED PRESENT VALUE OF FUTURE PAYMENTS TO EXISTING CLAIMANTS

The estimated present value of future payments to existing Schedule 1 claimants (\$10.22 billion) is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

The current portion (payments expected to fall due within the next 12 months - \$950 million) is shown separately on the Balance Sheet. (1986: \$840 million)

These financial statements do not include any estimate for the future payments to existing Schedule 2 claimants as this is not a liability of the Board: it is a liability of the Schedule 2 employers.

8. SCHEDULE 2

The Board adjudicates claims and pays benefits for Schedule 2 workers in the same way as for Schedule 1 and charges these costs to the Schedule 2 employers, plus an administration fee for doing so. Schedule 2 consists mainly of government employers such as the province, municipalities, public libraries and school boards, and employers in industries which cross provincial borders, such as railways, shipping, international airlines and telephone companies.

In addition, some members of the Schedule 2 employer group are required to contribute to a special fund to relieve out-of-the-ordinary expenses (e.g. disaster relief) for their group. The Board requires that security deposits be placed with it by these employers. The deposits received from Schedule 2 employers are invested and interest is paid on the deposit at a previously determined rate.

As at December 31, the balance sheet includes the following related to Schedule 2 employers:

| | 1987 | 1986 |
|----------------|-----------|-----------|
| | (\$000's) | |
| Held for them: | | |
| Cash | \$ - | \$ 562 |
| Investments | 15,323 | 12,065 |
| Due from them: | | |
| Receivables | 12,314 | 11,454 |
| Net Deposits | \$ 27,637 | \$ 24,081 |

Because Schedule 2 employers are individually liable for all current and future claim costs, the Board does not make provision for future liabilities of Schedule 2 for past claims, nor recognize the future benefits which will be paid by it, but for which it will be reimbursed in full (plus a fee to cover its administrative and other costs).

9. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 1987 | 1986 |
|---|------------|-----------|
| | (\$000's) | |
| Accounts payable and accrued charges | \$ 68,932 | \$ 35,309 |
| Accrued sick leave and vacation credits | 28,871 | - |
| Cheques issued and not yet cashed | 40,787 | 27,525 |
| | \$ 138,590 | \$ 62,834 |

10. ASSESSMENT INCOME

| | 1987 | | | 1986 |
|-----------------------------|--------------|--------------------------------------|--------------|--------------|
| | Self Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Assessment income | \$ 159,850 | \$ 1,961,990 | \$ 2,121,840 | \$ 1,735,471 |
| Penalties | 260 | 63,749 | 64,009 | 37,095 |
| Bad debts | (558) | (51,880) | (52,438) | (34,066) |
| Experience rating (Note 11) | - | (41,656) | (41,656) | (2,020) |
| | \$ 159,552 | \$ 1,932,203 | \$ 2,091,755 | \$ 1,736,480 |

11. EXPERIENCE RATING

The Workers' Compensation Board has had a form of experience rating since 1953. It offers refunds and surcharges based on injury frequency rates and costs. In 1983, the Board introduced an experience rating system (CAD-7) for the construction industry. A new experimental experience rating plan (NEER) was introduced in 1984, and refined in 1987, with an optional basis for all non-construction rates.

Where possible, provisions are established to cover future adjustments arising from current and past years' experience. However, consistent with normal insurance industry practice, it is intended that rebates and surcharges under these programs will balance out in the long term.

12. BENEFITS PAID

| | 1987 | | | 1986 |
|---------------------------------------|-------------------|--|---------------------|---------------------|
| | Self Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Compensation | \$ 77,313 | \$ 703,463 | \$ 780,776 | \$ 653,679 |
| Health Care | 15,860 | 163,525 | 179,385 | 163,280 |
| Rehabilitation | 2,098 | 38,435 | 40,533 | 31,633 |
| Pensions | 44,776 | 420,275 | 465,051 | 399,638 |
| | 140,047 | 1,325,698 | 1,465,745 | 1,248,230 |
| Less: recovered from third parties | - | 2,236 | 2,236 | 1,961 |
| | <u>\$ 140,047</u> | <u>\$ 1,323,462</u> | <u>\$ 1,463,509</u> | <u>\$ 1,246,269</u> |

13. INVESTMENT INCOME

| | 1987 | | | 1986 |
|--|-----------------|--|-------------------|-------------------|
| | Self Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Investment income | \$ 1,943 | \$ 279,605 | \$ 281,548 | \$ 225,127 |
| Less: | | | | |
| Amortization of realized losses, net of gains on sale of investments | 7 | 6,439 | 6,446 | 6,241 |
| Investment administration expenses | - | 577 | 577 | 528 |
| Interest paid on deposits | 1,812 | - | 1,812 | 1,653 |
| | <u>\$ 124</u> | <u>\$ 272,589</u> | <u>\$ 272,713</u> | <u>\$ 216,705</u> |

14. EXPENSES

The total operating expenses* for the Workers' Compensation Board were:

| | 1987 | | | 1986 |
|------------------------------------|------------------|--|-------------------|-------------------|
| | Self Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Administration | \$ 19,803 | \$ 176,413 | \$ 196,216 | \$ 174,471 |
| Sick leave and vacation credits | - | 28,871 | 28,871 | - |
| Accident prevention | - | 41,397 | 41,397 | 39,322 |
| Legislated obligations | - | 22,129 | 22,129 | 16,331 |
| | <u>\$ 19,803</u> | <u>\$ 268,810</u> | <u>\$ 288,613</u> | <u>\$ 230,124</u> |

* These are more fully described below:

a) ADMINISTRATION EXPENSES

| | 1987 | 1986 |
|--|-------------------|-------------------|
| | (\$000's) | |
| Salaries and employees' benefits | \$ 135,682 | \$ 125,214 |
| Travel and vehicle maintenance | 4,191 | 3,827 |
| Supplies and services | 2,718 | 3,194 |
| Equipment rental and maintenance | 20,583 | 13,900 |
| Depreciation of equipment | 916 | 419 |
| Occupancy costs - net | 13,571 | 10,678 |
| Security services and insurance | 1,124 | 1,272 |
| Data processing costs | 2,712 | 2,542 |
| Communications and publications | 9,784 | 9,212 |
| Chest examining station costs | 979 | 943 |
| Credit reports and legal expenses | 660 | 787 |
| Professional fees and services | 1,723 | 1,147 |
| Other | 3,672 | 3,422 |
| | <u>\$ 198,315</u> | <u>\$ 176,557</u> |
| Less expenses related to: | | |
| Investment income | 577 | 528 |
| Downsview Rehabilitation Centre | 1,522 | 1,558 |
| Schedule 2 | 19,803 | 16,960 |
| | <u>21,902</u> | <u>19,046</u> |
| Net charge to statement of income and expenses | <u>\$ 176,413</u> | <u>\$ 157,511</u> |

b) ACCIDENT PREVENTION EXPENSES

| By Category: | 1987 | 1986 |
|--|------------------|------------------|
| | (\$000's) | |
| Salaries and employees' benefits | \$ 22,654 | \$ 21,075 |
| Travel and vehicle maintenance | 3,107 | 2,973 |
| Supplies and services | 678 | 666 |
| Equipment rental and maintenance | 922 | 752 |
| Depreciation of equipment | 245 | 288 |
| Occupancy costs | 2,251 | 2,089 |
| Security services and insurance | 111 | 52 |
| Communications and publications | 9,944 | 9,528 |
| Other | 1,485 | 1,899 |
| | <u>\$ 41,397</u> | <u>\$ 39,322</u> |
| By Safety Association/Authority: | | |
| Construction Safety Association of Ontario | \$ 9,079 | \$ 8,731 |
| Electrical Utilities Safety Association of Ontario | 1,732 | 1,593 |
| Forest Products Accident Prevention Association | 1,428 | 1,376 |
| The Farm Safety Association Inc. | 942 | 915 |
| Health Care Occupational Health & Safety Association | 1,805 | 1,868 |
| Industrial Accident Prevention Association | 15,353 | 15,427 |
| Mines Accident Prevention Association of Ontario | 2,151 | 2,214 |
| Ontario Pulp & Paper Makers Safety Association | 677 | 671 |
| Transportation Safety Association of Ontario | 1,289 | 1,235 |
| Occupational Health and Safety Education Authority | 6,941 | 5,292 |
| | <u>\$ 41,397</u> | <u>\$ 39,322</u> |

c) LEGISLATED OBLIGATIONS

The Board is obligated to help the Ontario Government defray the administrative costs of the Occupational Health and Safety Act. We have accrued the Workers' Compensation Board's cost based on the calendar year just ended.

| | 1987 | 1986 |
|--|------------------|------------------|
| | (\$000's) | |
| Occupational Health and Safety Act | \$ 6,739 | \$ 6,753 |
| Industrial Disease Standards Panel | 707 | - |
| Mine Rescue | 1,083 | 876 |
| Workers' Compensation Appeals Tribunal | 8,357 | 5,537 |
| Worker and Employer Advisers | 5,243 | 3,165 |
| | <u>\$ 22,129</u> | <u>\$ 16,331</u> |

Under Section 86 of the *Workers' Compensation Act*, the Board is obligated to pay the administrative costs of the Workers' Compensation Appeals Tribunal, the Worker and Employer Advisers and the Industrial Disease Standards Panel, all of which are autonomous bodies, staffed and managed independently from the Workers' Compensation Board.

Mine Rescue costs represent the establishment, maintenance and operation of Mine Rescue stations, under the Occupational Health and Safety Act, as set out in Section 1(1)(b) of the *Workers' Compensation Act*.

15. RELATED PARTY TRANSACTIONS

In addition to the legislated obligations referred to above, these financial statements also include amounts resulting from routine operating transactions conducted at prevailing market prices with various Ontario Government controlled Ministries, agencies, and crown corporations with which the Board is related.

Account balances resulting from these transactions are included in these financial statements and are settled on normal trade terms.

16. LEASE OBLIGATIONS

At December 31, 1987, the Workers' Compensation Board was committed under non-cancellable leases requiring future minimum payments over the next five years as follows:

| | Capital | Office Space | Other Operating | Total |
|-------------------------------------|-----------|-----------------|--------------------|-----------|
| | (\$000's) | | | |
| 1988 | \$ 3,031 | \$ 8,656 | \$ 4,632 | \$ 16,319 |
| 1989 | 2,467 | 8,279 | 2,050 | 12,796 |
| 1990 | 2,261 | 7,599 | 1,727 | 11,587 |
| 1991 | — | 7,110 | 444 | 7,554 |
| 1992 | — | 6,293 | 13 | 6,306 |
| Total minimum payment | \$ 7,759 | \$ 37,937 | \$ 8,866 | \$ 54,562 |
| Less: | | | | |
| amount representing interest | 1,182 | | | |
| Obligations under capital leases | \$ 6,577 | | | |

The Board rents office space and equipment under operating lease arrangements having various expiry dates. Shown above are the aggregate minimum annual rental payments under these arrangements for the next five years. The "Other" operating leases represent long-term equipment rentals.

17. CONTINGENT LIABILITY

Certain decisions rendered by the Workers' Compensation Appeals Tribunal (WCAT) may have the effect of altering the adjudication of workers' compensation claims. Changes in the adjudication of claims could result in a significant increase in the present value of future payments on account of accidents which occurred in past years. It is not possible to quantify, at this time, the potential for any increase in the present value of future payments to existing claimants because of the uncertain future resolution of pending or future decisions.

(The WCAT, which came into effect in October 1985, operates independently from the WCB, and reports to the Minister of Labour. It only reviews individual cases: WCAT does not have any policy-setting authority.)

18. UNFUNDED LIABILITY

The Workers' Compensation Board has developed a strategy to eliminate this liability (by means of a small surcharge added to all Schedule 1 assessments) by the year 2014. This policy is implemented and in effect.

19. INDUSTRIAL DISEASES

Asbestosis

In December of 1986 the U.S. Bankruptcy Court approved a plan to establish the Manville Settlement Trust with assets in excess of \$2 billion. Claims may be made against the Trust, for injuries that workers or others may have suffered, due to exposure to Johns-Manville asbestos products.

The Workers' Compensation Board has, for some years, been paying benefits and expenses to workers suffering from asbestos-related diseases. In view of this, the Board, in 1987, took steps to exercise any subrogated rights that it might have in respect of some 600 asbestos-related claims filed with the Board since 1975 by Ontario workers or their dependents.

At this time the amount the WCB might recover from the Manville Trust cannot be quantified.

Silicosis

Assessments for silicosis have been calculated as a percentage of the previous year's actual payrolls for all employers in the mining industry. The assessments are included in the total assessment figure.

The funds accumulated from these assessments are used to pay benefits arising out of silicosis claims and are included as part of the total benefits figure.

| | 1987 | | 1986 |
|---------------------------|----------|-----------|-------|
| | | (\$000's) | |
| Benefits paid – silicosis | \$ 4,659 | \$ | 4,391 |
| Assessment revenues | 5,633 | | 4,708 |

Gold Mining

At its meeting on Friday, January 8, 1988, the Board of Directors approved a comprehensive policy dealing with the compensation of gold miners with work-related lung cancer, which is expected to significantly increase the number of survivors who may be eligible for compensation. Costs related to this decision will be reflected in the WCB's 1988 Financial Statements.

The policy will be revised if the follow-up study, now underway, demonstrates an excess risk of lung cancer in miners with "dusty gold mining" experience after 1945, or if it shows a probable connection between gold mining experience and stomach cancer.

20. SUPERANNUATION FUND

The Board has a benefit-based pension plan, the Superannuation Fund, for its employees, and employees of the provincial safety associations. The most recent triennial actuarial valuation as at December 31, 1986 determined that this Fund was in a surplus position. See also Note 3.

Current contribution levels, by both employer and employees, and current pension entitlements, are presently under review and amendments to the existing plan will likely be implemented during 1988.

21. REMUNERATION OF APPOINTEES

The total remuneration and expenses of members of the Board of Directors was \$181,271 during the year. (1986 — \$215,114)

22. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

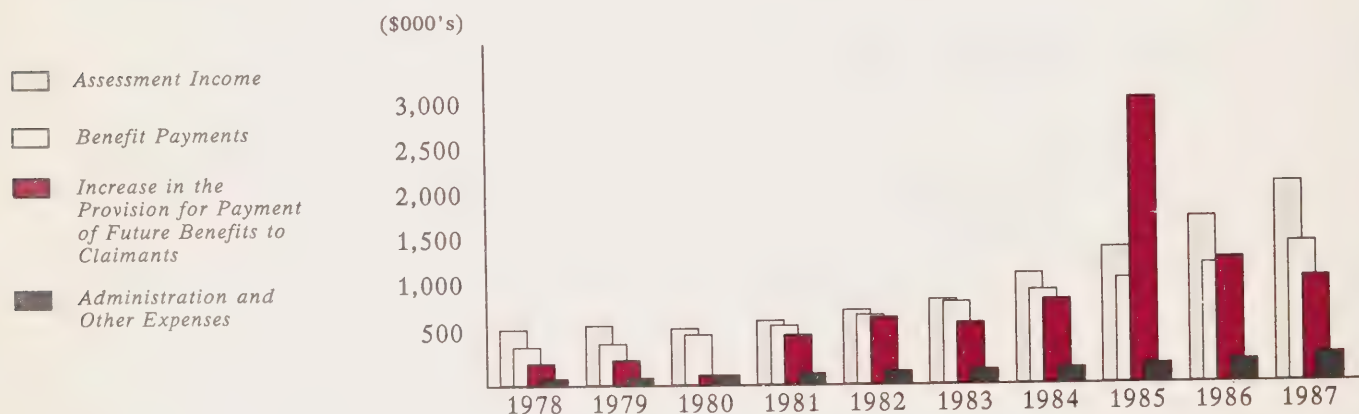
Ten-Year History

TEN-YEAR SUMMARY OF THE STATEMENT OF INCOME AND EXPENSES

(\$000's)

| | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 |
|--|-------------|-------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| WORKERS' COMPENSATION BOARD (Schedules 1 and 2) | | | | | | | | | | |
| INCOME | | | | | | | | | | |
| Assessment income | \$586,386 | \$629,037 | \$592,037 | \$673,401 | \$ 781,251 | \$ 882,162 | \$1,159,977 | \$1,424,130 | \$1,736,480 | \$2,091,755 |
| Investment income | 105,161 | 120,508 | 141,437 | 166,045 | 170,066 | 166,574 | 175,803 | 186,347 | 216,705 | 272,713 |
| | 691,547 | 749,545 | 733,474 | 839,446 | 951,317 | 1,048,736 | 1,335,780 | 1,610,477 | 1,953,185 | 2,364,468 |
| EXPENSES | | | | | | | | | | |
| Benefits paid | 402,940 | 431,175 | 526,989 | 620,513 | 725,915 | 860,093 | 978,611 | 1,098,526 | 1,246,269 | 1,463,509 |
| Provision for increase in estimated present value of future payments to Schedule 1 claimants | | | | | | | | | | |
| - special | 240,000 | 190,000 | — | 360,000 | 335,000 | 347,000 | 604,000 | *1,860,000 | 250,000 | — |
| - normal | (10,000) | 70,000 | 100,000 | 160,000 | 365,000 | 293,000 | 276,000 | 1,130,000 | 1,054,000 | 1,096,000 |
| Total value of claims/awards | 632,940 | 691,175 | 626,989 | 1,140,513 | 1,425,915 | 1,500,093 | 1,858,611 | 4,088,526 | 2,550,269 | 2,559,509 |
| Administration and other expenses | 69,000 | 78,729 | 100,070 | 116,646 | 137,325 | 146,141 | 162,624 | 192,458 | 230,124 | 288,613 |
| | 701,940 | 769,904 | 727,059 | 1,257,159 | 1,563,240 | 1,646,234 | 2,021,235 | 4,280,984 | 2,780,393 | 2,848,122 |
| Excess of expenses over income | (10,393) | (20,359) | 6,415 | (417,713) | (611,923) | (597,498) | (685,455) | (2,670,507) | (827,208) | (483,654) |
| Charge to Schedule 2 deposits | 67 | 12 | (155) | (154) | (50) | 296 | 295 | 180 | 832 | 174 |
| Unfunded liability beginning of year | (373,860) | (384,186) | (404,533) | (398,273) | (816,140) | (1,428,113) | (2,025,315) | (2,710,475) | (5,380,802) | (6,207,178) |
| Unfunded liability end of year | (\$384,186) | (\$404,533) | (\$398,273) | (\$816,140) | (\$1,428,113) | (\$2,025,315) | (\$2,710,475) | (\$5,380,802) | (\$6,207,178) | (\$6,690,658) |

*Amendment by the passage of Bill 81, which indexed future annual increases in pensions and temporary compensation payments based on the change in the consumer price index.



OTHER STATISTICS

(\$000,000's)

| | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total assessable payroll (based on employer estimates) | \$ 27,500 | \$ 30,600 | \$ 32,600 | \$ 37,000 | \$ 40,800 | \$ 41,800 | \$ 48,435 | \$ 52,228 | \$ 58,611 | \$ 65,000 |
| Number of WCB employees as at December 31 each year* | N/A | N/A | N/A | N/A | N/A | 3,682 | 3,854 | 4,203 | 4,679 | 4,688 |
| Incidents reported as work injuries | 424,609 | 460,972 | 444,674 | 415,044 | 349,747 | 344,758 | 388,845 | 426,880 | 442,080 | 469,681 |

N/A — Not available

*Includes part-time and temporary staff



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

CARON
L 90
- A56

Workers' Compensation Board

*Annual
Report 1988*



Service Excellence

Financial Soundness

Public Understanding

Responsible Administration

Profile

The Workers' Compensation Board is a statutory corporation created by an Act of the Ontario Legislature in 1914. It is responsible for administering the *Workers' Compensation Act* and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment for loss of wages that may result from the injury or disease, payment of health care expenses, a wide range of vocational and medical rehabilitation services, permanent disability pensions, and death benefits to surviving dependents.

The Board also sponsors a range of accident prevention activities.

Si vous désirez obtenir un exemplaire du Rapport annuel et du supplément statistique de 1988 en français, veuillez vous adresser à la
Commission des accidents du travail
Direction des communications
2, rue Bloor Est
Toronto (Ontario)
M4W 3C3
(416) 927-3500

A Statistical Supplement to the 1988 Annual Report is available upon request from the
Workers' Compensation Board
Communications Branch
2 Bloor Street East
Toronto, Ontario
M4W 3C3
(416) 927-3500



Workers'
Compensation
Board

Commission
des accidents
du travail

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report
of operations for 1988.

A handwritten signature in black ink, reading "Robert G. Elgie". The signature is written in a cursive, flowing style with a large initial 'R'.

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C), Chairman




Table of Contents

| | |
|-------------------------------------|----|
| 1988 Highlights | 3 |
| Chairman's Message | 4 |
| Board of Directors | 6 |
| Executive Committee | 7 |
| Organizational Structure | 8 |
| Mission Statement | 9 |
| President's Report | 10 |
| Financial Report | 20 |
| Workers' Compensation Board Offices | 45 |

A Statistical Supplement to the 1988 Annual Report is also available upon request from the Board's Communications Branch (see inside front cover).

1988 Highlights

3

New Medical Rehabilitation Strategy...

approved by the Board of Directors to provide early access to high quality health care closer to workers' homes through the creation of a network of community clinics and regional evaluation centres. A provincial medical rehabilitation institute will monitor quality and carry out epidemiological and health care research.

New Vocational Rehabilitation Strategy...

approved in principle by the Board of Directors to provide early, effective and intensive vocational rehabilitation services to mitigate the effects of an injury on a worker's employment capabilities. This strategy stresses the partnership between the injured worker, the employer, the treating physician and the Board.

"Injury by Accident"...

as part of the first Section 86n review, the Board of Directors determined that "injury by accident" in the sense of "chance event" requires an identifiable occurrence separate from the injury; an injury which is the result of the work performed, whether it occurs suddenly or develops over time, should be considered under the disablement definition of accident.

Windsor Regional Office Opening...

represents another significant step in the Board's decentralization program.

Promoting a Safe Workplace through "Workwell"...

a pilot program developed and approved by the Board of Directors for introduction in 1989, using financial rewards and penalties for employers to maintain safe and healthy workplaces.

Development of a Workers' Benefit System...

to automate the benefit payment function by the end of 1989.

WORKERS' COMPENSATION BOARD - SUMMARY OF OPERATIONS

YEAR ENDED DECEMBER 31, 1988

The following shows the principal sources of 1988 revenue, which totalled \$2.7 billion, and where it went:

Revenue

\$ millions

Assessments from Schedule 1 Employers (Net of Penalties, Bad Debts and Experience Rating Credits) 2,200

Schedule 1 and 2 Investment Income 316

Revenue from Schedule 2 Employers 177

Total 2,693

Spending

\$ millions

Schedule 1 Benefit Payments 1,471

Accident Prevention 39

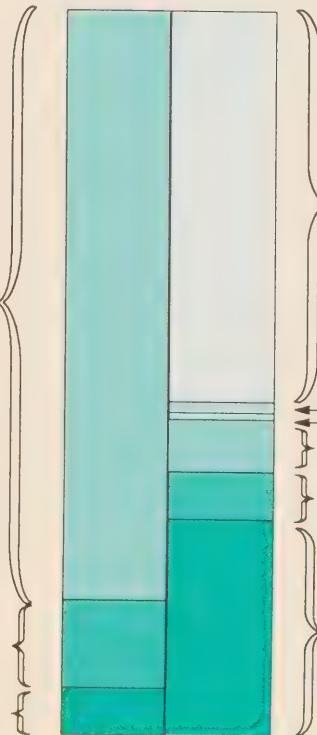
Legislative Obligations (Industrial Disease Standards Panel, WCAT, etc.) 26

Schedule 1 Administration 197

Schedule 2 Benefit Payments and Expenses 177

Not Spent During the Year: This represents funds invested by the Board to pay the costs of future benefit payments. 783

2,693 Total



Chairman's Message



Robert G. Elgie

Board members appointed between 1985 and 1987 as part of the WCB's first external Board of Directors: Mrs. Silvia Mecozzi, representative of the public; Mr. Gérard Docquier, representative of labour; Mr. Donald Holder, representative of labour; Mr. Douglas Peters, representative of employers; and the Hon. Robert Stanbury, representative of employers.

The years 1986 to 1988 marked an era of unprecedented change for the Workers' Compensation Board (WCB). In addition to a complete restructuring of the organization, a broad range of new policies and strategies were developed, all with one central purpose: to enhance the quality of services provided to injured workers and employers of the province.

This period of intense administrative and organizational change was also marked symbolically with the conclusion, in September 1988, of the terms of office of five

Mr. Joseph Duffy, representative of labour; Mr. Stephen Hessian, representative of employers; Mr. Paul Richards, representative of small business; and Ms. Almerinda Rebelo, representative of injured workers, who were all members of the first Board of Directors, were reappointed by the Government to serve further terms on the Board.

In 1988, I was pleased to welcome four new members to the Board of Directors: Dr. Maria Zorzitto, representative of professional persons and the general public; Mr. Michael Warren, representative of employers; Mr. Charles Hantho, representative of employers; Mr. David Mackenzie, representative of labour; and Mr. Cliff Evans, representative of labour. Mr. Hantho's relocation to Montreal necessitated his resignation in November 1988. Mr. Evans resigned in December 1988 due to other commitments.

In 1989, Mr. Fred Telmer, representative of employers, and Mr. James Goodison, representative of labour, will begin their term on the Board of Directors.

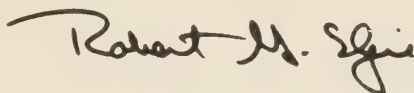
I would like to acknowledge the significant contribution of each of these individuals, who have spent considerable time and effort addressing the critical and complex issues facing the workers' compensation system.

Nineteen eighty-eight was a year of numerous milestones for the WCB, not the least of which was the development of a Mission Statement, approved by the Board of Directors in December 1988. While recognizing that the WCB's mandate is to administer the Act, this statement clearly defines the Board's purpose: "to exercise its responsibilities with a sense of fairness, compassion and urgency towards the resolution of the serious problems affecting hundreds of thousands of Ontario citizens each year." In order to carry out its mission and statutory mandate, the WCB has identified four major strategic goals: service excellence; financial soundness; public understanding; and responsible administration. Together, these goals form the cornerstones of the workers' compensation system in Ontario and serve as a guide to staff in carrying out their responsibilities.

Nineteen eighty-nine marks the 75th anniversary of the passage of the Ontario *Workers' Compensation Act*. During the past 74 years, the system has responded to the changing needs of its stakeholder communities through the development and implementation of a broad spectrum of policies and program changes.

Over the past 74 years, the Workers' Compensation Board has developed into an organization that calls for participation from all stakeholders — the worker and employer communities, health care professionals, the Board of Directors and WCB staff — to share in the pursuit and maintenance of a compensation system that promotes fairness and equity for all individuals who may be affected by it.

On behalf of the Board of Directors,



Robert G. Elgie, Q.C., M.D., F.R.C.S.(C)
Chairman of the Board

Board of Directors



Seated (l. to r.): Stephen Hessian, Paul Richards, David Mackenzie, Fred Telmer, Maria Zorzitto.
Standing (l. to r.): Ronald Ellis, Alan Wolfson, Robert Elgie, Joseph Duffy, Almerinda Rebelo,
Michael Warren. Inset: James Goodison.

Robert G. Elgie,
Q.C., M.D., F.R.C.S.(C)
Chairman of the Board

Alan D. Wolfson, Ph.D.
*Vice-Chairman of Administration
and President,
Workers' Compensation Board*

- **Joseph Duffy**
*Business Manager and
Secretary-Treasurer,
Provincial Building and Construction Trades
Council of Ontario*

James V. Goodison
*Grand Lodge Representative,
International Association of Machinists and
Aerospace Workers*

- **Stephen S. Hessian**
*Resident Manager,
Domtar Inc.*

David R. Mackenzie
*Assistant to the National Director,
United Steelworkers of America*

- **Almerinda M. Rebelo, C.S.W.**
*Executive Director,
Parkdale Community Health Centre*

Paul Richards
*President,
Johns Scientific Inc.*

Fred Telmer
*President,
Stelco Steel*

Michael G. Warren
*Vice-President and Consulting Actuary,
Johnson & Higgins Willis Faber*

Maria L. Zorzitto, M.D.
Sunnybrook Medical Centre

S. Ronald Ellis, Q.C.
*Ex Officio Member
Chairman,
Workers' Compensation Appeals Tribunal*

- *Audit Committee Member*

Executive Committee


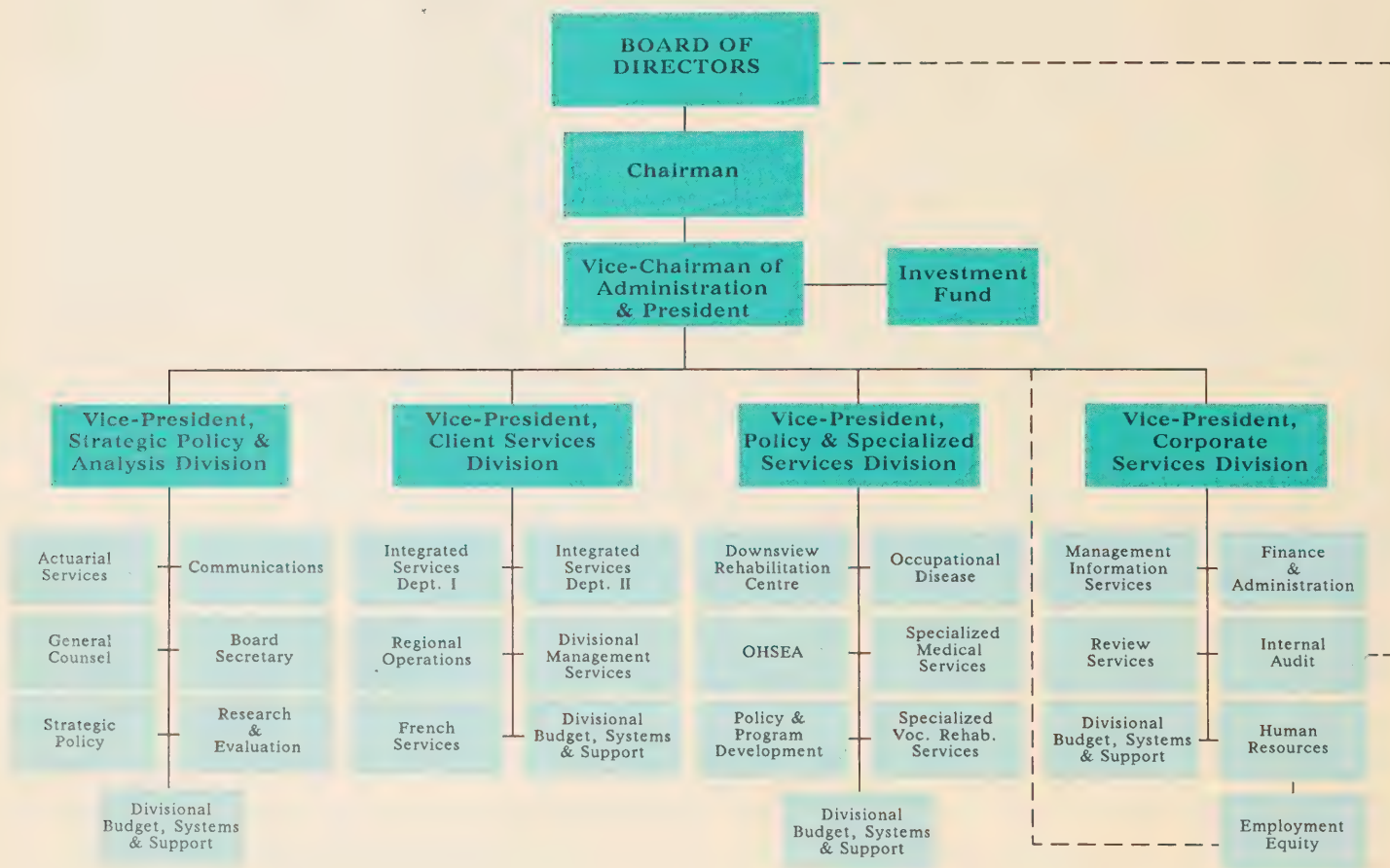


Seated (l. to r.): Robert Coke, Vice-President, Strategic Policy and Analysis Division; Sam Van Clieaf, Vice-President, Corporate Services Division; Mike Czetyrbok, Vice-President, Client Services Division; Linda Angove, Secretary of the Board. Standing (l. to r.): Elizabeth Kaegi, Vice-President, Policy and Specialized Services Division; Robert Elgie, Chairman; Alan Wolfson, Vice-Chairman of Administration and President.*

** Robert D. Reilly was Vice-President, Client Services Division from January 1987 until his retirement in April 1988.*

The mandate of the Executive Committee is to assist the Vice-Chairman of Administration and President in the management of the Workers' Compensation Board's day-to-day affairs. The Executive Committee also ensures that the overall operational direction of the Workers' Compensation Board is compatible with the corporate policies as set by the Board of Directors.

Organizational Structure



Mission Statement of the Workers' Compensation Board

The mission of the Workers' Compensation Board is to be found in the principles underlying the *Workers' Compensation Act*. The Board's mandate is, fundamentally, to administer the Act; its mission is to exercise its responsibilities with a sense of fairness, compassion and urgency towards the resolution of the serious problems affecting hundreds of thousands of Ontario citizens each year. This approach reflects the philosophy captured in the motto originally established by Sir William Meredith in 1915, namely "Justice Humanely Administered".

The *Workers' Compensation Act* has four central features. First and foremost, the Act is remedial legislation affording no fault insurance protection to workers against the financial impact of workplace injuries and diseases. Second, employers are afforded protection from legal actions arising out of workplace injuries and share compensation costs on a collective basis. Third, the Act authorizes the Board to provide both medical and vocational rehabilitation to mitigate as far as possible the effects of injuries and to promote early return to work. Finally, the Act authorizes the support of health and safety education programs and the provision of financial incentives to reduce the occurrence of occupational injuries and diseases in the first instance.

In order to carry out its mission and statutory mandate, the Workers' Compensation Board of Ontario has established four major strategic goals: service excellence; financial soundness; public understanding; and responsible administration.

Service Excellence

Excellence in the provision of services to the Board's clients has several dimensions. First, and most important, is the need to provide fair and speedy decisions regarding entitlements and obligations flowing out of the *Workers' Compensation Act*. Second, there is the need to mount

effective programs to provide medical and vocational rehabilitation. Third, the Board needs to ensure that the health and safety education programs it supports and the incentive programs it operates are effective in reducing accident and disease rates.

Financial Soundness

The Board has an obligation to ensure that the workers' compensation system attains the required level of funding and is financially viable over the long term. There are two aspects to the Board's mandate in this area: first, assessments must be set at an appropriate level and in an appropriate manner, and must be collected effectively; and second, the Accident Fund must be invested in a way that maximises the rate of return within the constraints of financial prudence.

Public Understanding

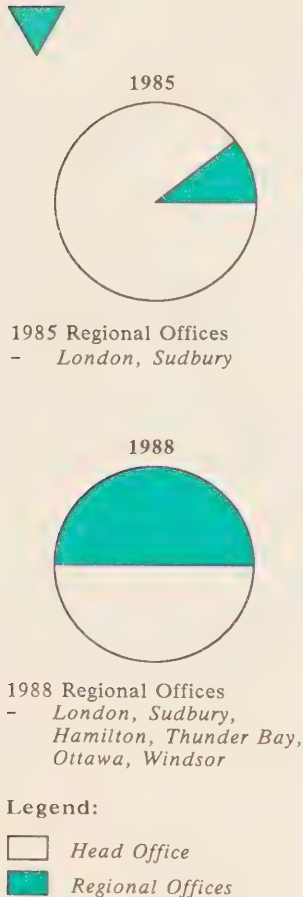
In order for the workers' compensation system to function effectively, there must be an understanding of the system's operations by the client groups most affected, as well as general acceptance of the Board's approach to dealing with workers' compensation issues. Without this kind of understanding and acceptance, the system will become highly adversarial and non-compliant.

Responsible Administration

While pursuing the first three goals, the Board has an obligation to organize its administrative operations in a way that will be effective and economical. This obligation involves appropriate budgetary controls. However, the Board must also maintain the ability to respond quickly and effectively to abrupt changes in the workers' compensation environment and to sustain its capacity through the maintenance and development of resources, particularly its staff.

President's Report

PROPORTION OF
CLAIMS SERVED BY
REGIONAL OFFICES



Over the past three years, the Ontario Workers' Compensation Board has undergone a period of intense and unparalleled change. From its organizational structure to a co-ordinated series of policy and administrative changes, the WCB and the way it does business has been fundamentally altered. A more streamlined and effective organization, directed by a clear, strategic mandate for the 1990s, is the result.

During 1988, the Board's goals were articulated in a definitive Mission Statement. This document, formally adopted by the Board of Directors in December 1988, sets the criteria by which our current and future activities are planned and measured: service excellence; financial soundness; public understanding; and responsible administration.

Service Excellence

A commitment to service excellence is reflected in the Board's reorganization and decentralization. Prior to 1986, the WCB was segmented into 12 divisions. By 1987, we had streamlined the operation into four areas: Client Services, Corporate Services, Policy and Specialized Services, and Strategic Policy and Analysis.

One of the most important elements of the Board's reorganization was the decentralization of services to client groups. To ensure more effective and responsive services to both injured workers and employers, the Board expanded its network of regional offices. In addition to existing offices in London and Sudbury, the Board during 1986 and 1987 opened regional offices in Hamilton, Thunder Bay and Ottawa.

In March 1988, the WCB opened a sixth regional office in Windsor. The organizational structure of the Windsor Regional Office is a prototype, drawing on certain features of the regional offices and the Toronto Head Office.

With the expanded number of regional offices, more claims are being handled in the communities these offices serve. Before 1986, only 15 per cent of claims were handled outside Toronto. That number is now approximately 50 per cent. In effect, a massive transfer of over one-third of our business from Head Office to the four new regional offices has taken place within a very short time frame.

The creation of Integrated Service Units (ISUs) within Head Office was another important component of the Board's decentralization and strengthened service orientation. Under the previous organization, functions such as claims adjudication, health care benefits adjudication, medical services and vocational rehabilitation each operated under separate divisions. The introduction of ISUs in 1987 drew these functions together to provide more personal, prompt, co-ordinated and efficient service.

There are eight ISUs in total. Seven are responsible for a specific geographic area in the province not served by a regional office: Central Ontario East, Central Ontario West, Central Ontario South, Toronto North, Toronto West, Toronto East and Toronto South. The eighth ISU handles claims related to the construction industry.

The Board's decentralization will be completed in March 1989 with the transfer of the decision review and information access functions to the ISUs and regional offices.

As reflected in the Board's organizational changes, policy development during this three-year period became a more clearly defined and co-ordinated function within the Board. A significant number of policy and program initiatives focused on service excellence. In 1987, Ontario became the first jurisdiction to recognize chronic pain disorder as a compensable condition. In the same year, the Board demonstrated its leadership in dealing with industrial disease by becoming the first in Canada to compensate for work-related lung cancer among gold miners. A review of the Board's interpretation and application of Section 45(5) of the

Workers' Compensation Act in 1987 led to a revision of its supplement policy.

During 1988, the Board announced major changes in its approach to medical rehabilitation and vocational rehabilitation, with the goal of providing more timely and accessible service in order to facilitate early return to work by injured workers.

The Board of Directors, in March 1988, approved a long-term strategy to provide injured workers throughout Ontario with increased access to early, high-quality medical rehabilitation services.

A three-tier service delivery model provides the framework for the strategy. At the first level, a wide network of community clinics will provide the province's injured workers with physical rehabilitation soon after injury and close to home.

WCB REGIONAL OFFICES AND INTEGRATED SERVICE UNITS

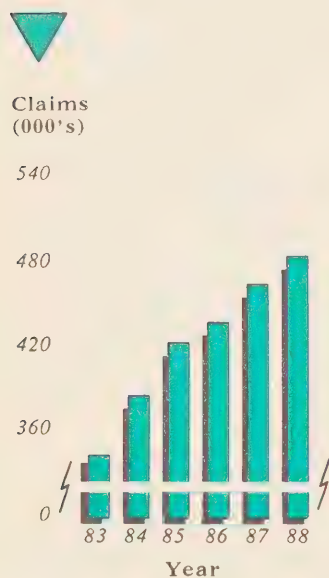


LEGEND

- INTEGRATED SERVICE UNITS
- REGIONAL OFFICES



TOTAL CLAIMS
REPORTED -
1983-1988



Total claims reported
in 1988 - 489,819

When the strategy is fully operational, by 1991, between 50 and 100 of these community clinics will be available throughout Ontario.

At the second level, 10 to 11 regional evaluation centres, linked to health sciences centres or hospitals, will be established to provide expert evaluation of a worker's medical status and an evaluation of the worker's functional abilities. These services will be available to workers whose injury is complex or serious, whose recovery is prolonged, or who have difficulty in returning to work. These centres will also provide consultative services to community clinics and treating physicians, as well as undertake research and training activities.

At the third level is the creation of a provincial medical rehabilitation institute, affiliated with a major health sciences centre. The institute will co-ordinate and conduct epidemiological and health care research related to workers' compensation issues; develop quality control programs for community clinics and regional evaluation centres; and participate in the training of rehabilitation specialists.

While the medical rehabilitation strategy is being put into place, the Board's Downsview Rehabilitation Centre will continue to provide services to injured workers throughout Ontario. A transitional prototype community clinic and regional evaluation centre will be established at the Centre during 1989.

Equally important to the treatment of injured workers and their early return to work is the vocational rehabilitation strategy, which received approval in principle from the Board of Directors in April 1988.

This strategy stresses early, accessible and intensive services. Under the new vocational rehabilitation process, key participants - the injured worker, employer, the worker's treating physician and the vocational rehabilitation caseworker - will develop a specific rehabilitation plan. The position of vocational rehabilitation caseworker is a new one, created to co-ordinate and provide access to a full range of specialized vocational rehabilitation personnel, including worksite analysts, placement specialists, and social rehabilitation counsellors.

Along with a clear distinction between social and vocational rehabilitation services provided by the Board, the strategy separates the vocational rehabilitation process from benefit entitlement decisions.

Stemming from the strategy's distinction between vocational rehabilitation decisions and those of entitlement to compensation, the Board of Directors, in September 1988, adopted a policy change to Section 54, the primary section of the *Workers' Compensation Act* governing vocational rehabilitation. Effective January 1, 1989, income maintenance allowances are to be paid under Section 40 or 45; an employer's share of training-on-the-job placement costs for an injured worker will be equal to at least 50 per cent of costs for the term of the placement; and all vocational rehabilitation costs will be included in the employer's accident cost statement.



To phase in implementation of the new strategy the Board, in January 1989, will introduce a one-year pilot project in the Toronto West and Central Ontario South Integrated Service Units and in the London Regional Office. To facilitate consultation during the implementation stage, an advisory committee will be formed, comprising representatives from the worker and employer communities.

Other service-oriented initiatives in 1988 included the introduction of a direct deposit system of benefits for pensioners, survivors, treating agencies and health care professionals. This service allows payments to be deposited electronically into a client's bank account.

A branch address project was also introduced in 1988. This is a system which assigns claims according to the accident employer's branch address. It enhances the relationship between the ISUs and employers, and facilitates vocational rehabilitation efforts to return injured workers to employment with the accident employer.

Health and safety education and incentive programs are an important element of the Board's service orientation. Under the auspices of the Ministry of Labour, the Occupational Health and Safety Education Authority of the WCB collaborated with the Ministry, the Workers' Health and Safety Centre, and the safety associations through the Industrial Accident Prevention Association in the development of a Workplace Hazardous Materials Information System training program. The program was designed to assist employers in meeting their legislated obligations to train workers in the proper recognition and safe handling of hazardous chemicals in the workplace. Training information is provided through print and video materials and is available in both English and French.

In December 1988, the Board of Directors approved "Workwell", a pilot program for 1989 that will provide significant financial rewards and penalties to employers based on the success of their occupational health and safety programs.



Much of the development work for an ambitious new Workers' Benefit System was completed in 1988. This large computerized system will automate the benefit payment function. By reducing delays and permitting quick response time to legislative changes affecting benefit levels, the Workers' Benefit System will improve service delivery. Once system enhancements and refinements are made, the Workers' Benefit System will be fully operational by the end of 1989.

The Board will pursue further initiatives during 1989 to enhance the service provided to Ontario's injured workers and employers. Injured workers whose benefits are delayed will be compensated through the payment of interest under a new policy, which will be implemented no later than January 1, 1990. Pending its introduction, there will be an interim policy, to be effective January 6, 1989.

Through a review of the claims adjudication process, the Board will develop a comprehensive new strategy by the fall of 1989 to ensure fair and prompt entitlement decisions. Also in 1989, the Board will develop a client contact strategy to improve telephone, over-the-counter and written communications with clients.

Financial Soundness

Sound financial management continues to be fundamental to all present and future Board actions. Before implementation, policy and strategic directions are evaluated carefully from the standpoint of cost-effectiveness and simple, financial common sense.

The workers' compensation system in Ontario is funded entirely by employers through payroll assessments levied under the authority of the *Workers' Compensation Act*. The number of employers in the 109 rate groups under Schedule 1 of the Act, those insured through collective liability, grew to 201,000 in 1988, up from 196,000 in 1987. Assessment income from Schedule 1 employers in 1988 totalled \$2.28 billion, up from \$1.96 billion the previous year. The average assessment rate increase in 1988 was 4.9 per cent, compared with 8.7 per cent in 1987.

The assessment obligations of each rate group depend on the rate group's recent experience in injury frequency, average costs per claim and the size of the rate

group's workforce. Each assessment rate also includes a portion which contributes towards the elimination of the rate group's unfunded liability. This portion is collected as part of a long-term financial strategy, adopted by the Workers' Compensation Board in 1984, to eliminate the unfunded liability by 2014. The unfunded liability is the gap between the lump sum required to meet all future obligations and the assets currently available to pay these costs.

The approach taken in developing the 1989 assessment rate schedule, approved by the Board of Directors in October 1988, is consistent with this long-term financial strategy to retire the unfunded liability. The 1989 average assessment rate increase, at 3.3 per cent, is the lowest since 1981. Under the 1989 assessment rate strategy, rate increases were limited to a maximum of 10 per cent.

The Board's unfunded liability increased from \$6.69 billion in 1987 to \$7.35 billion at the end of 1988, an increase of 10 per cent. When expressed in real dollar terms, the increase reduces to 5 per cent. This is well within the projections of the Board's financial strategy and it is expected that the unfunded liability will begin to decline in real terms after next year. The influence of this strategy is also reflected in the continued increase in the funding ratio of the Accident Fund — the ratio of total assets to total liabilities — which rose in 1988 for the third successive year, to a level of 37.9 per cent.

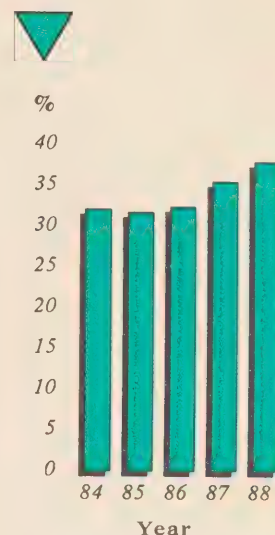
Fiscally responsible management is also evident in the Board's administrative expenses during the past two years. These have remained constant in real terms, except for one-time costs, such as those associated with the ISUs and the Windsor Regional Office.

The introduction of the new medical rehabilitation strategy will increase annual expenditures by between \$35 million and \$60 million. In addition, it is estimated that full implementation of the new vocational rehabilitation strategy will increase expenditures by a further \$30 million per year. These incremental expenditures must be viewed as investments in a more effective workers' compensation system which are expected to be offset by injured workers' more rapid recovery and earlier return to employment.

To reduce the potential for revenue loss by defaulting firms and to enhance the Board's revenue-collecting efforts, a pilot project was commenced in 1988 to introduce monthly assessments for approximately 20,000 employers in the logging, construction, steel and trucking rate groups.

The Board made significant progress in 1988 towards its objective of increasing the proportion of equities in the Investment Fund. During 1988, the Investment Fund grew from \$3.0 billion to \$3.9 billion. The equity portfolio increased from \$207 million to \$678 million.

TOTAL ASSETS AS A PERCENTAGE OF TOTAL LIABILITIES, SCHEDULE 1 ACCIDENT FUND - 1984-1988



Public Understanding

In line with the organizational changes and policy and program initiatives which have taken place over the past three years, we have commenced programs to make the Board a more accessible, open organization. In keeping with a discerning, better-educated public and the Board's Mission Statement tenet of public understanding, more emphasis is being given to communication, discussion and consultation with client groups to encourage acceptance of the Board's approach to workers' compensation issues.

The new composition for the WCB Board of Directors, introduced in 1985, consisting of a full-time chairman and vice-chairman and nine external directors representing employers, workers, professionals and the general public, has provided broader representation on the Board's top decision-making body.

During 1988, the Board of Directors solicited the views of stakeholders through two Section 86n reviews. In September, the Board of Directors issued its decision

on the review of the Workers' Compensation Appeals Tribunal Decision No. 72, which examined the interpretation of "injury by accident" as found in Section 3(1) of the *Workers' Compensation Act*.

The Board of Directors determined that "injury by accident" in the sense of "a chance event occasioned by a physical or natural cause", as the words are used in Section 1(1)(a)(ii) of the Act, requires that there be an identifiable occurrence separate from the injury. On the other hand, an injury which occurs without a chance event and which is the result of the work performed, whether it occurs suddenly or develops over a long period of time, falls within the meaning of the words "disablement arising out of and in the course of employment" contained in Section 1(1)(a)(iii) of the Act.

A number of related issues, however, could not be settled by the Board of Directors due to lack of submissions. The Board asked that a policy review of these issues be undertaken in 1989 through a consultation process.



The Board of Directors also began a review of the WCB's chronic pain disorder and retroactivity policies, which will be completed in 1989. Once written submissions are received, the Board will provide interested parties with an opportunity to elaborate on their written briefs in an oral hearing.

Early in 1988, the WCB adopted a formal consultation strategy to provide its stakeholders with a more meaningful role in the initial policy development process. A core group of major stakeholders, representative of injured worker advocacy groups, labour unions, employer groups and professional communities, meet regularly. Depending on the issue, the core group may be expanded to include other stakeholders with a special interest or expertise. In addition, consultation packages, formatted to provide a statement of the current policy, are sent to selected stakeholders. Written responses and viewpoints are encouraged.

In late 1987, an inquiry team comprising John Biddell, former partner with Clarkson Gordon, and Cliff Pilkey, former president of the Ontario Federation of Labour, was appointed to examine the impact of the WCB's revenue and assessment policies relating to the logging industry. The Report of the Inquiry was distributed for public comment in December 1988. When those comments have been received, the Board will review the Report's recommendations, examine their impact on the industry and consult with interested groups prior to developing a response to the issues addressed.

In March 1988, the Board released the first issue of *Policy Report*. This bi-monthly newsletter outlines new or changing WCB policies and explains emerging issues for interested stakeholders.

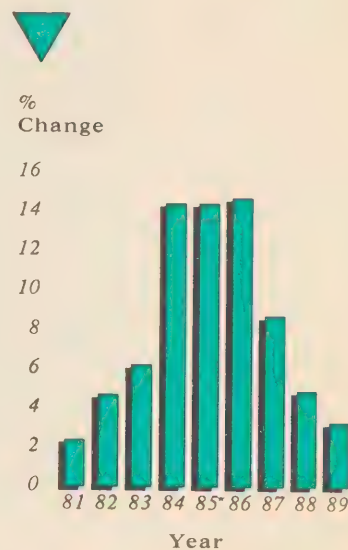
Through the Board's annual employment campaigns, employers are canvassed and informed of the advantages of hiring rehabilitated workers. During 1988, 15 separate week-long campaigns took place throughout major communities in Ontario. Approximately 1,400 job opportunities were identified and 300 injured workers placed.

Accessibility to the Board by the francophone community was improved through the creation of a French Services Branch in January 1988. The Branch serves to consolidate and centralize the delivery of French-language services within the Board's operating areas. A review during 1988 indicated that approximately 93 per cent of claim files requiring service in the French language are located in the Sudbury and Ottawa Regional Offices. In January 1989, the Board's French translation services will be transferred to these offices.

A bilingual lexicon, containing terms drawn from the Board's operations, was developed in 1988. The Board also continued to provide counselling and communication services in third languages.

During 1988, a reorganized Communications Branch, with greater emphasis on issues monitoring and management, continued its range of customer service and public information support for the Board and its programs. To promote the spirit of openness and two-way communication between the Board and its client groups, a new communications strategy is being developed for 1989.

PER CENT CHANGE IN
THE AVERAGE
RATE OF ASSESSMENT,
SCHEDULE 1 -
1981-1989



* Adjusted for increase
in assessable earnings
ceiling under Bill 101
in 1985.

Nineteen eighty-nine is the 75th anniversary of the passage of the Ontario *Workers' Compensation Act*. To mark the occasion and to further the Board's goal of public understanding, an anniversary symposium is being planned for the fall. Several hundred representatives from labour groups, employer groups, legislators and the health care community will be invited. The program will focus on recent changes in the Board's legislative framework, new approaches to medical and vocational rehabilitation, and the WCB reorganization.

Responsible Administration

Initiatives undertaken over the past three years have focused on creating a more just, humane, streamlined and effective organization. The result is a more efficient and responsible administration of the Workers' Compensation Board and its mandate.

In 1989, the Board will pursue several technological initiatives to strengthen its administrative management. Much of this groundwork was set when the Board installed a more powerful mainframe

computer and a new office automation system. Both have provided the organization with the capacity to adapt to future technological advances.

The development of the Workers' Benefit System, which will automate the benefit payment function, allows for more effective claims management. The system will also reduce the administrative costs associated with unnecessary paper flow and duplication of functions.

To develop a data strategy for the Board, a corporate data group will be established in 1989. The strategy will ensure consistent statistical reporting of Board operations and provide management with expanded information for planning, monitoring and evaluating operational performance.

The Board is also evaluating electronic imaging, a technology that will scan, store and index all incoming claims and firm documents. Although the technology is still being investigated, if successful, imaging would address problems associated with movement, storage and retrieval of high volumes of documents.

Responsible administration also means a commitment to employment equity in the workplace. A survey of WCB staff was conducted in May 1988 to determine the demographic characteristics of the Board's workforce, including information about race, gender, disability and job. This information will be used in the Board's planning of effective employment equity strategies.

A review and evaluation of the Board's Work Experience Opportunity Program was also conducted during the year. The program, administered by the Board's Employment Equity Office in conjunction with vocational rehabilitation staff, facilitates the employment of rehabilitated individuals at the Board. Evaluation results indicated that the program is effective in placing injured workers back in the workforce.





A broad strategic plan for the Board will be developed in 1989. Incorporated into this plan will be the strategies for assessment rates, investments, medical rehabilitation, vocational rehabilitation, claims adjudication, revenue, communications, information systems, human resources and facilities. Based on this overall strategic plan, the WCB will then develop operational plans for each area. This will allow the Board to allocate resources more effectively and to establish responsibility and accountability at an operational level.

During this recent period of rapid organizational change, much progress has been made towards the achievement of the WCB's strategic goals. Efforts to ensure service excellence, financial soundness, public understanding and responsible administration will continue to be the priorities of the Board during its 75th year.

Alan D. Wolfson
Vice-Chairman of Administration
and President



Workers' Compensation Board Financial Report

Year Ended December 31, 1988

CONTENTS

| | |
|--|----|
| Financial Report | 21 |
| Responsibility for Financial Reporting | 26 |
| Audited Financial Statements: | |
| – Statement of Income and Expenses | 27 |
| – Auditor's Opinion | 28 |
| – Balance Sheet | 29 |
| – Consulting Actuary's Report | 30 |
| – Statement of Changes in Financial Position | 31 |
| – Notes to the Financial Statements | 32 |
| Ten-Year History | 44 |

PRESENTATION

The Workers' Compensation Board raises funds from Ontario employers to compensate workers for work-related injuries.

Statutory obligations require that the Board cover two groups of employers: Schedule 1, the majority of the employers, who are insured through collective liability, and Schedule 2, who are self-insurers, whose costs are administered for them by the Workers' Compensation Board.

The following comments will assist the reader in understanding the WCB's financial statements:

HIGHLIGHTS

| | <u>1988</u> | <u>1987</u> | <u>Change</u> |
|---------------------------|---------------|-------------|---------------|
| | (\$ millions) | | |
| Income | \$2,693 | \$2,365 | +13.9% |
| Total awards and expenses | 3,152 * | 2,848 | +10.7% |
| Assets | 4,508 | 3,702 | +21.8% |

* Excludes this year's special charge to be comparable to last year.

FINANCIAL POSITION

The Board's assets (\$4.5 billion) increased by 22% over 1987. The major contributor to the increase in assets is marketable investments (\$3.9 billion) which increased 29% compared to 1987.

Total liabilities (\$11.9 billion) rose by 14% over the past year.

While total liabilities continue to exceed total assets (giving rise to the existence of an "unfunded liability"), the WCB is financially sound, and able to meet all foreseeable future obligations:

- Annual revenues far exceed annual cash payments, and this is expected to continue.
- 1988 revenues more than cover the total cost of 1988 claims.
- While the overall size of our actuarial liabilities is substantial (\$11.7 billion), only small portions of this are expected to fall due (i.e. to be paid) in the next few years. In each of those years it is expected that these liabilities will be covered by our revenues, and therefore, existing assets are expected to continue to grow.
- The Board's published strategy to eliminate the unfunded liability by the year 2014 is in place and on target.

As shown in the Ten-Year History, the Board's unfunded liability has risen substantially in the last few years. This is primarily as a result of:

- Ad hoc legislated increases to benefit levels without corresponding funding level adjustments.
- Limits placed on individual assessment rate increases.
- Delays in assessing based on new maximum earnings when changed/legislated.
- Increasing propensity with which a disability is considered to have a permanent residual effect.

RESULTS OF OPERATIONS

In 1988, the WCB continued to see a large positive net cash flow of \$664 million. This cash flow, which has been invested, is the result of two principal factors:

- **Timing differences**

Our assessment rates are established to cover the full expected cost of current year's claims: current year's claims involve not only current payments but also the significant future payments which are expected to be required.

- **Inclusion of a surcharge**

Our assessment rates have been increased during the past four years by a surcharge, in a planned strategy to fund fully total liabilities over a period of thirty years.

However, on an accrual basis, comparing (a) the expected total cost for 1988 claims (i.e. payments made plus payments expected to arise in the future, when all costs are in), plus payments made in 1988 on prior year claims, plus increases in liabilities on prior year claims, with (b) the total revenues we collected, the result is an excess of claims benefits and expenses over income, by an amount of \$659 million.

INVESTMENTS

The Board observes a conservative investment policy, to protect the interests of injured workers and employers.

Current guidelines of this policy are:

- **Meet** all legislative requirements.
- **Maximize** return within acceptable risk.
- **Emphasize** cash management; matching investment activity with the Board's day-to-day cash flows.

In 1988 we significantly increased the portion of our portfolio invested in equities and in 1989 this strategy will continue.

The Board maintains a diversified portfolio, including federal and provincial government securities, as well as corporate bonds, stocks, and real estate investments, thereby reducing the risk of over-exposure in any one area.

Relative percentages (at book value) are:

| | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> |
|--|------------------|------------------|-----------------|-----------------|------------------|------------------|
| Long-Term Investments | | | | | | |
| • bonds | | | | | | |
| – government | 39 | 38 | 37 | 29 | 27 | 30 |
| – corporate | 24 | 27 | 35 | 39 | 35 | 27 |
| • equities | | | | | | |
| – Canadian | - | - | - | 3 | 4 | 12 |
| – U.S. | - | - | - | 2 | 3 | 3 |
| • real estate and mortgages | <u>25</u> | <u>23</u> | <u>21</u> | <u>19</u> | <u>15</u> | <u>15</u> |
| Sub-Total | 88 | 88 | 93 | 92 | 84 | 87 |
| Short-Term (money market instruments) | <u>12</u> 100 | <u>12</u> 100 | <u>7</u> 100 | <u>8</u> 100 | <u>16</u> 100 | <u>13</u> 100 |

Further data on the Board's investment portfolio is shown in the notes to the financial statements.

RATE SETTING

The administrative work of the Board includes responsibility for classifying, assessing, auditing and collecting employer accounts; setting assessment rates together with administering experience rating plans; monitoring the investment portfolio; and providing accounting and budgeting services for the Board's claims and administrative activities.

In 1988, the Board continued to use a rate-setting philosophy which provides for collective liability among employers, but which also reflects the realities of their own businesses and industry groups.

In 1988, 201,000 Schedule 1 employers were assessed by the Workers' Compensation Board. The average assessment rate per hundred dollars of assessable payroll was \$3.02 in 1988, an increase of 4.9% over the 1987 average rate of \$2.88. The maximum assessable earnings increased to \$35,100 in 1988 from \$33,600 in 1987. These increases, along with larger payrolls reported by Ontario employers, resulted in a 16% increase in assessment revenue, from \$1.96 billion in 1987 to \$2.28 billion in 1988.

It is the policy of the Board to set and publish rates at an early date so that employers may budget for the coming fiscal year. Assessment rates for 1989 were approved by the Board in October of 1988. The average increase over 1988 will be 3.3%, with no individual rate increase greater than 10%, and altogether 41 rate groups will experience a rate decline for 1989.

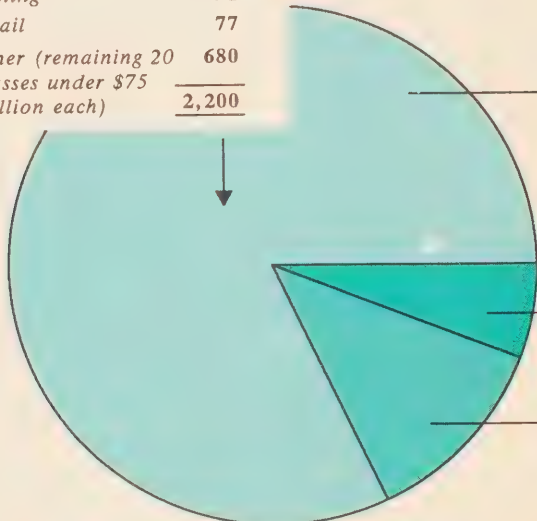
REVENUE AND EXPENSE

The next two pages show principal sources of revenue and where that money is spent:

REVENUE – WHERE THE MONEY COMES FROM

Industry \$ millions

| | |
|--|--------------|
| manufacturing (general) | 338 |
| construction | 353 |
| hospitals, restaurants, wholesale | 253 |
| manufacturing (vehicles) | 231 |
| transportation/trucking | 177 |
| mining | 91 |
| retail | 77 |
| other (remaining 20 classes under \$75 million each) | 680 |
| | <u>2,200</u> |



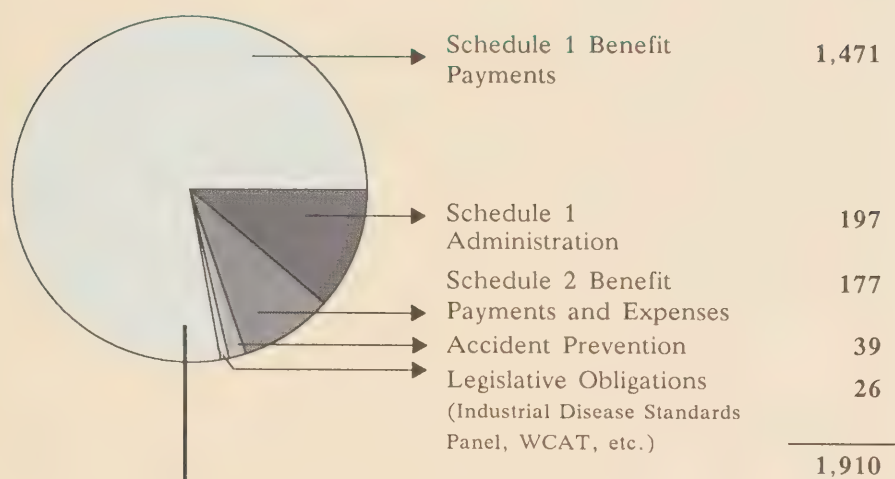
| | \$ millions |
|---|--------------|
| Assessments from Schedule 1 Employers (Net of Penalties, Bad Debts and Experience Rating Credits) | 2,200 |
| Revenue from Schedule 2 Employers | 177 * |
| Investment Income (from Sch. 1 and 2) | 316 |
| | <u>2,693</u> |

* Revenue from Schedule 2 employers is broken down as follows:

| | \$ millions |
|-------------------------------------|-------------|
| Provincial and Municipal Government | 110 |
| Federal Government | 29 |
| Others | 38 |
| | <u>177</u> |

SPENDING – WHERE THE MONEY GOES

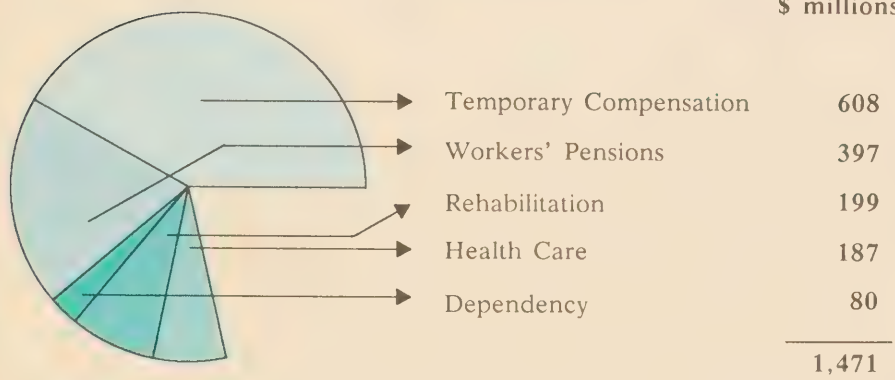
\$ millions



BENEFITS

Schedule 1

\$ millions



The pages that follow are the WCB's official "annual financial statements", prepared to comply with all statutory requirements and in accordance with the policies detailed on page 32.



Responsibility for Financial Reporting

The accompanying financial statements were prepared by management in accordance with generally accepted accounting principles, consistently applied, and include some amounts based upon management's best estimates and judgements. Any financial information contained elsewhere in the annual report conforms to these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss. The Board of Directors has established an Audit Committee, comprising three directors who are not officers or employees of the Board, to ensure that management fulfills these responsibilities. The Audit Committee meets periodically with management, the internal auditors and the external auditors to ensure that their responsibilities are properly discharged, with respect to financial statement presentation, and disclosure and recommendations on internal control.

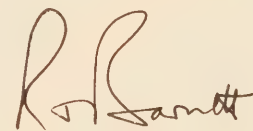
The Internal Audit Branch performs audits designed to test the adequacy and consistency of the Board's internal controls, practices and procedures.

The external auditors, Deloitte, Haskins & Sells, working on behalf and under the direction of the Provincial Auditor, have performed an independent examination of the financial statements of the Board in accordance with generally accepted auditing standards and accordingly included an evaluation of the Board's systems of internal control. The Provincial Auditor's report outlines the scope of this independent examination and his opinion on the financial statements of the Board.

The firm of Eckler Partners Ltd. has been appointed as the independent consulting actuaries to the Board for year-end 1988. Their opinion on the adequacy and appropriateness of the valuation of the Board's actuarial liabilities, and on the proper provision for these costs, is presented as a part of these financial statements.



Alan D. Wolfson
Vice-Chairman of Administration
and President



Robert J. Barnett
Executive Director
Finance and Administration
and Chief Financial Officer

April 21, 1989

Statement of Income and Expenses

27



WORKERS' COMPENSATION BOARD

Statement of Income and Expenses For Year Ended December 31, 1988

| | 1988 | | | 1987 |
|--|-------------------|--|-----------------------|-----------------------|
| | Self- Insured | Insured Through Collective Liability | Total | Total |
| | (in \$000's) | | | |
| INCOME | | | | |
| Assessment (Note 9) | \$ 176,600 | \$ 2,200,662 | \$ 2,377,262 | \$ 2,091,929 |
| Investment (Note 11) | 238 | 315,776 | 316,014 | 272,713 |
| | <u>\$ 176,838</u> | <u>2,516,438</u> | <u>2,693,276</u> | <u>2,364,642</u> |
| EXPENSES | | | | |
| Awards | | | | |
| - Benefits paid (Note 10) | 153,599 | 1,470,868 | 1,624,467 | 1,463,509 |
| - Provision for increase in estimated present value of future payments to Schedule 1 claimants | | | | |
| - special (Note 6b) | | | | |
| - current year | - | 46,000 | 46,000 | - |
| - prior years | - | 154,000 | 154,000 | - |
| - normal | - | 1,243,000 | 1,243,000 | 1,096,000 |
| - Total value of benefit claims/awards | 153,599 | 2,913,868 | 3,067,467 | 2,559,509 |
| Administrative and other expenses (Note 12) | <u>23,239</u> | <u>261,736</u> | <u>284,975</u> | <u>288,613</u> |
| | <u>\$ 176,838</u> | <u>3,175,604</u> | <u>3,352,442</u> | <u>2,848,122</u> |
| Excess of expenses over income | | (659,166) | (659,166) | (483,480) |
| Unfunded liability, beginning of year | | <u>(6,690,658)</u> | <u>(6,690,658)</u> | <u>(6,207,178)</u> |
| Unfunded liability, end of year | | <u>\$ (7,349,824)</u> | <u>\$ (7,349,824)</u> | <u>\$ (6,690,658)</u> |



OFFICE OF THE PROVINCIAL AUDITOR

Box 105, 15th Floor, 20 Dundas St. West
Toronto, Ontario M5G 2C2
(416) 974-9866

To the Workers' Compensation Board
and to the Minister of Labour

I have examined the balance sheet of the Workers' Compensation Board as at December 31, 1988 and the statements of income and expenses and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1988 and the results of its operations, and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied, except for the change in the method of accounting for certain investments as described in Note 2 to the financial statements, on a basis consistent with that of the preceding year.

A handwritten signature in dark ink, appearing to read "D. F. Archer", written over a horizontal line.

Toronto, Ontario
April 21, 1989

D. F. Archer, F.C.A.
Provincial Auditor



Balance Sheet

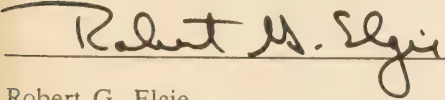
29

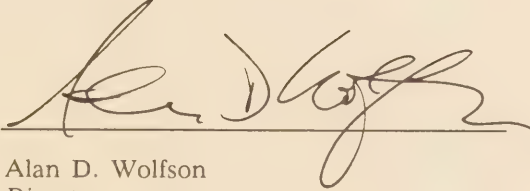
WORKERS' COMPENSATION BOARD

Balance Sheet - December 31, 1988

| | Note | 1988 | 1987 |
|---|------|--------------|--------------|
| <hr/> | | | |
| ASSETS | | (in \$000's) | |
| Cash | | \$ 223,725 | \$ 364,555 |
| Investments | 3 | 3,909,313 | 3,039,124 |
| Other assets | 4 | 347,274 | 267,838 |
| Fixed assets | 5 | 27,778 | 30,629 |
| | | <hr/> | <hr/> |
| | | \$ 4,508,090 | \$ 3,702,146 |
| <hr/> | | | |
| LIABILITIES | | | |
| Accounts payable and accrued charges | 8 | \$ 158,947 | \$ 138,590 |
| Current portion of future payments to Schedule 1 claimants for past claims | 6 | 1,187,000 | 950,000 |
| Capital lease obligations | 14 | 5,011 | 6,577 |
| Net deposits | 7 | 30,956 | 27,637 |
| | | <hr/> | <hr/> |
| | | 1,381,914 | 1,122,804 |
| Estimated present value of future payments to Schedule 1 claimants excluding current portion | 6 | 10,476,000 | 9,270,000 |
| | | <hr/> | <hr/> |
| | | 11,857,914 | 10,392,804 |
| Unfunded liability | 15 | (7,349,824) | (6,690,658) |
| | | <hr/> | <hr/> |
| | | \$ 4,508,090 | \$ 3,702,146 |
| | | <hr/> | <hr/> |

On behalf of the Board:


 Robert G. Elgie
 Director


 Alan D. Wolfson
 Director

Eckler Partners Ltd.

Consulting Actuary's Report on the Valuation of the Actuarial Liabilities of the Schedule 1 Accident Fund of the Workers' Compensation Board of Ontario as at December 31, 1988.

The estimated present value of future compensation, pension payments, health care and Section 54 rehabilitation expenses under Schedule 1 on account of accidents that occurred on or before December 31, 1988 in the amount of \$11.663 billion has been determined by the Board's Staff Actuaries, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements.

As noted above, the present value reported above includes provision for rehabilitation payments under Section 54 of the Act, with an estimated present value of \$200 million. Such payments were not provided for in previous valuation. As in previous valuations, the present value does not include provision for future claims related to industrial disease or for future expenses of administration.

The present value reported above makes provision for estimated payments in all future years arising from accidents that occurred on or before December 31, 1988. The portion of such payments expected to be made in 1989 is approximately \$1.187 billion. This amount was determined on the basis of the long-term assumptions appropriate for the determination of the present value and using a simplified methodology. It does not represent a forecast of actual 1989 benefit payments, which will be influenced by short-term factors.

The valuation was based on the provisions of the Workers' Compensation Act in effect as of January 1, 1989. Full provision has been made for potential future increases in the covered earnings ceiling and in the level of pensions and temporary compensation as provided under the Act by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation.

No provision has been made in the valuation for potential amendments to the Workers' Compensation Act contained in Bill 162 which is currently before the Ontario Legislature.

Except as otherwise noted above, the methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

In our opinion, which includes the foregoing comments, the amount of \$11.663 billion as at December 31, 1988 makes reasonable provision for future compensation, pension payments, health care and Section 54 rehabilitation expenses under Schedule 1 on account of accidents that occurred on or before December 31, 1988.




Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the
firm of Eckler Partners Ltd.
April 21, 1989



Statement of Changes in Financial Position

31

WORKERS' COMPENSATION BOARD

Statement Of Changes In Financial Position Year Ended December 31, 1988

| | 1988 | 1987 |
|--|-------------------|-------------------|
| | (in \$000's) | |
| CASH PROVIDED BY OPERATIONS | | |
| Excess of expenses over income, after increase in actuarial provision | \$ (659,166) | \$ (483,480) |
| Items not requiring an outlay of cash: | | |
| Amortization of realized and unrealized losses on investments | 15,351 | 6,446 |
| Amortization of discounts on investments | (83,279) | (59,214) |
| Depreciation and amortization of fixed assets | 5,618 | 2,707 |
| Provision for increase in estimated present value of future payments to Schedule 1 claimants | 1,443,000 | 1,096,000 |
| (Increase) Decrease in other assets | (85,587) | 318,011 |
| Increase in other short-term liabilities | 28,394 | 85,889 |
| | <u>664,331</u> | <u>966,359</u> |
| INVESTMENT ACTIVITIES | | |
| Purchases of long-term investments | 1,673,523 | 683,600 |
| Proceeds on sale or maturity of long-term investments | (455,378) | (342,887) |
| | <u>1,218,145</u> | <u>340,713</u> |
| Net (Decrease) Increase in short-term investments | (555,751) | 613,157 |
| Net cash invested | 662,394 | 953,870 |
| Purchase of fixed assets | 2,767 | 15,220 |
| | <u>665,161</u> | <u>969,090</u> |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | (830) | (2,731) |
| CHANGE IN SHORT-TERM INVESTMENTS HELD TO FINANCE OPERATIONS | (140,000) | 250,000 |
| Cash balance beginning of year | <u>364,555</u> | <u>117,286</u> |
| Cash balance end of year* | <u>\$ 223,725</u> | <u>\$ 364,555</u> |
| * Made up of: | | |
| Cash | \$ 3,725 | \$ 4,555 |
| Money market instruments | 220,000 | 360,000 |
| | <u>\$ 223,725</u> | <u>\$ 364,555</u> |

Notes to the Financial Statements

December 31, 1988

1. NATURE OF OPERATIONS

The Workers' Compensation Board is a Crown Agency, which operates by virtue of a statute passed in 1914 and amendments thereafter.

The Board differentiates employers into two groups — referred to as Schedules 1 and 2 by the Act:

Schedule 1 relates to industries where the employers are required to contribute to the Workers' Compensation Board's Accident Fund, and Schedule 2 relates to self-insurers — that is, industries where employers are individually liable for the costs of compensation, health care, rehabilitative costs and pensions paid to their workforce, all of which is done for them by the Workers' Compensation Board, which is then reimbursed for these costs.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with generally accepted accounting principles.

INVESTMENTS

i) Bonds and Mortgages

Bonds and mortgages are carried at amortized cost. In the case of mortgages, amortized cost is adjusted for principal repayments.

Realized gains (losses) on the sale of bonds and mortgages are deferred and amortized over the lesser of 20 years or the period to maturity of the security sold.

ii) Stocks

Investments in stocks are carried at cost with an adjustment for market value*. The market value adjustment is based on the moving average market method, where realized gains (losses) on the sale of stocks are deferred and amortized over a seven-year period. Unrealized gains (losses) in market value are taken into income and included in the value of the asset on the moving average market basis over a seven-year period.

iii) Real Estate

Real estate (units in real estate syndicates) is carried at cost with an allowance toward market value*, based on the moving average market method.

Both realized and unrealized gains and losses are deferred and amortized over a ten-year period.

iv) Short-Term Securities

These are money market securities which have a maturity of less than 12 months at time of purchase, and are carried at amortized cost.

Gains and losses from sales are taken into income in the period that they occur.

* The adoption of the moving average market method in 1988 was a change in accounting policy, from the prior approach of carrying at cost only — but the impact on the results for the prior year is not material and therefore, the change in accounting policy was not applied retroactively.

v) Foreign Currency Translation

Foreign currency investment transactions are translated into Canadian dollars using the exchange rate in effect at the time of the transaction. For valuation purposes, foreign investments are converted to Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign exchange gains and losses on long-term investments are amortized and reflected in their carrying value over a seven-year period.

FIXED ASSETS

Fixed assets are stated at cost. Buildings, equipment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of assets over their estimated useful lives.

ASSESSMENT INCOME

Assessment income is determined on the basis of estimated and actual payrolls reported by employers. At year end, an accrual is calculated to include the additional assessment anticipated as a result of the actual payrolls being greater than estimated.

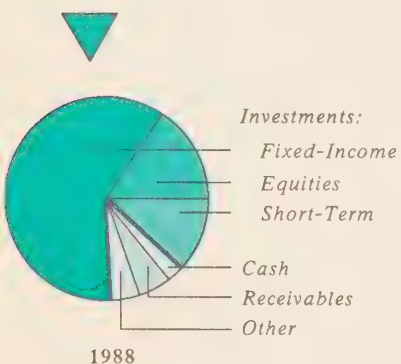
LEASES

Leases are classified as either capital or operating. Capital leases are those which transfer substantially all of the benefits and risks of the ownership of property, and are recorded as the acquisition of an asset and the incurrence of an obligation. The asset is amortized over its useful life and the obligation is liquidated over the life of the lease. Other leases are operating leases and the related rental costs are charged to expense as incurred.

3. INVESTMENTS

| | | 1988 | | 1987 | |
|---|-----------|----------------|--------------|----------------|--------------|
| | | (\$000's) | | | |
| | | Carrying Value | Market Value | Carrying Value | Market Value |
| Long-Term | | | | | |
| Bonds | | \$ 2,216,994 | \$ 2,199,119 | \$ 1,854,490 | \$ 1,841,145 |
| Mortgages | | 474,014 | 458,540 | 424,970 | 424,970 |
| Equities | | | | | |
| Real estate | | 95,468 | 100,561 | 38,873 | 39,261 |
| Common shares | — Canada | 512,326 | 527,161 | 106,466 | 103,567 |
| | — Foreign | 70,031 | 66,471 | 62,033 | 59,788 |
| Unamortized portion of realized losses, net of gains, on sale of investment | | | | | |
| | | 10,806 | — | 22,431 | — |
| | | 3,379,639 | 3,351,852 | 2,509,263 | 2,468,731 |
| Short-Term | | | | | |
| Money market | — Canada | 92,119 | 92,121 | 483,066 | 483,066 |
| | — Foreign | 390,893 | 390,478 | — | — |
| Accrued investment income | | 46,662 | 46,662 | 46,795 | 46,795 |
| | | \$ 3,909,313 | \$ 3,881,113 | \$ 3,039,124 | \$ 2,998,592 |

COMPOSITION OF ASSETS



4. OTHER ASSETS

| | 1988 | 1987 |
|---------------------------------------|-------------------|-------------------|
| | (\$000's) | |
| Accrued assessment and penalty income | \$ 193,402 | \$ 89,575 |
| Assessment and other receivables | 139,534 | 171,093 |
| Prepaid employee pension expense | 12,083 | 5,418 |
| Prepaid expenses | 2,255 | 1,752 |
| | <u>\$ 347,274</u> | <u>\$ 267,838</u> |

5. FIXED ASSETS

| | 1988 | | Depreciation & Amortization Rates | |
|------------------------|------------------|--------------------------|-----------------------------------|-------|
| | Cost | Accumulated Depreciation | Net Book Value | |
| | (\$000's) | | | % |
| Land | \$ 6,754 | \$ - | \$ 6,754 | - |
| Buildings | 11,185 | 7,094 | 4,091 | 2 1/2 |
| Leasehold improvements | 5,206 | 3,494 | 1,712 | 10 |
| Equipment* | 34,310 | 19,826 | 14,484 | 20 * |
| Motor vehicles | 1,728 | 991 | 737 | 25 |
| | <u>\$ 59,183</u> | <u>\$ 31,405</u> | <u>\$ 27,778</u> | |

* Includes capital leases (Cost: \$11,353), which are amortized over the useful life of the asset.

6. ESTIMATED PRESENT VALUE OF FUTURE PAYMENTS TO SCHEDULE 1 CLAIMANTS

- a) The estimated present value of future payments to Schedule 1 claimants (\$11.663 billion) is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

This amount includes provisions for claims reported to the Board up to and including December 31, 1988, and claims for accidents which occurred on or before December 31, 1988 but which have not been reported at that date.

As in previous years, provision has not been made for future administration costs of existing claims, or for the cost of future claims for occupational/industrial diseases arising from employment prior to December 31, 1988.

The current portion (payments expected to fall due within the next 12 months - \$1.187 billion) is shown separately on the Balance Sheet (1987 - \$950 million).

- b) The special provisions amounting to \$200 million relate to the special costs of workers requiring rehabilitation, and who were injured in 1988 or in prior years. No provision had previously been included in the total liability. (The actuaries estimate that had a provision been in place as at December 31, 1986, the 1987 charge would have been \$29 million compared to the 1988 charge of \$46 million).
- c) These financial statements do not include any estimate for the future payments to existing Schedule 2 claimants as this is not a liability of the Board: it is a liability of the Schedule 2 employers.

7. SCHEDULE 2

The Board adjudicates claims and pays benefits for Schedule 2 workers in the same way as for Schedule 1, and charges these costs to the Schedule 2 employers, plus an administration fee for doing so. Schedule 2 consists mainly of government employers such as the province, municipalities, public libraries and school boards, and employers in industries which cross provincial borders, such as railways, shipping, international airlines and telephone companies.

In addition, some members of the Schedule 2 employer group are required to contribute to a special fund to relieve out-of-the-ordinary expenses (e.g. disaster relief) for their group. The Board requires that security deposits be placed with it by these employers. The deposits received from Schedule 2 employers are invested and interest is paid on the deposit at a previously determined rate.

At December 31, 1988, the balance sheet includes the following related to Schedule 2 employers:

| | 1988 | 1987 |
|--|------------------|------------------|
| | (\$000's) | |
| Held for them: | | |
| Cash | \$ 1,475 | \$ - |
| Investments | 19,707 | 15,323 |
| (Market value at December 31, 1988: \$19,913) | | |
| Due from them: | | |
| Receivables | 9,774 | 12,314 |
| | <u>\$ 30,956</u> | <u>\$ 27,637</u> |

Schedule 2 employers are individually liable for all current and future claim costs. The Board does not make provision for future liabilities of Schedule 2 employers for past claims, nor does it recognize the future benefits which it will pay and will be reimbursed in full (plus a fee to cover its administrative and other costs).

8. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 1988 | 1987 |
|---|-------------------|-------------------|
| | (\$000's) | |
| Accounts payable and accrued charges | \$ 85,163 | \$ 68,932 |
| Accrued sick leave and vacation credits | 32,990 | 28,871 |
| Cheques issued and not yet cashed | 40,794 | 40,787 |
| | <u>\$ 158,947</u> | <u>\$ 138,590</u> |

9. ASSESSMENT INCOME

| | 1988 | | | 1987 |
|--------------------|-------------------|--------------------------------------|---------------------|---------------------|
| | Self-Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Assessment Income | \$ 176,427 | \$ 2,280,951 | \$ 2,457,378 | \$ 2,122,014 |
| Penalties | 173 | 87,594 | 87,767 | 64,009 |
| Bad Debts | - | (102,404) | (102,404) | (52,438) |
| Experience Rating* | - | (65,479) | (65,479) | (41,656) |
| | <u>\$ 176,600</u> | <u>\$ 2,200,662</u> | <u>\$ 2,377,262</u> | <u>\$ 2,091,929</u> |

* The Workers' Compensation Board has had a form of experience rating since 1953. It offers refunds and surcharges based on injury frequency rate and costs. In 1983, the Board introduced an experience rating system (CAD-7) for the construction industry. A new experimental experience rating plan (NEER) was introduced in 1984, and is continuing to be refined. Participation in the NEER program is optional for all non-construction rate groups.

Where possible, provisions are established to cover future adjustments arising from current and past years' experience. However, consistent with normal insurance industry practice, it is intended that rebates and surcharges under these programs will generally balance out in the long-term.

10. BENEFITS PAID

| | 1988 | | | 1987 |
|-------------------------------------|-------------------|--------------------------------------|---------------------|---------------------|
| | Self-Insured | Insured Through Collective Liability | Total | Total |
| | (\$000's) | | | |
| Temporary Compensation | \$ 66,367 | \$ 610,328 | \$ 676,695 | \$ 593,155 |
| Health Care | 19,580 | 187,222 | 206,802 | 179,385 |
| Rehabilitation | 15,728 | 199,186 | 214,914 | 192,643 |
| Worker Pensions | 42,796 | 396,865 | 439,661 | 426,750 |
| Dependency | 9,128 | 80,160 | 89,288 | 73,812 |
| | 153,599 | 1,473,761 | 1,627,360 | 1,465,745 |
| Less: recovered from third parties* | - | 2,893 | 2,893 | 2,236 |
| | <u>\$ 153,599</u> | <u>\$ 1,470,868</u> | <u>\$ 1,624,467</u> | <u>\$ 1,463,509</u> |

* Claims against third parties responsible for industrial accidents are deducted from paid benefits upon their receipt.

The benefit categories are defined below:

Temporary Compensation

These benefits are paid to injured workers to compensate them for temporary losses of earnings due to work-related injuries.

Health Care

This category includes payments made to health care professionals, such as physicians and treating agencies, who provide health care treatment to injured workers.

Rehabilitation

These payments include income support payments to workers who are preparing to return to employment, plus payments to agencies for the delivery of vocational and medical rehabilitation services.

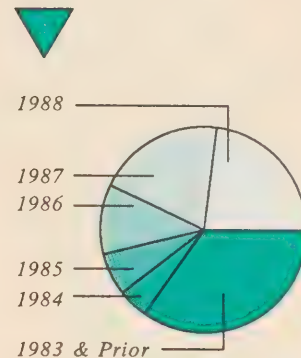
Worker Pensions

Pensions are paid to workers who have suffered partial or total permanently disabling injuries.

Dependency

These are payments made to dependents of workers who have died as the result of work-related injuries/diseases.

1988 BENEFITS PAID BY
YEAR OF ACCIDENT
(SCHEDULE 1)



11. INVESTMENT INCOME

| | 1988 | | | 1987 | |
|---|---------------|--------------------------------------|-------------------|-------------------|-------|
| | Self-Insured | Insured Through Collective Liability | (Total) | (\$000's) | |
| | | | | Total | Total |
| Investment Income | \$ 2,347 | \$ 332,382 | \$ 334,729 | \$ 281,548 | |
| Add/Deduct: | | | | | |
| • Amortization of realized losses | (4) | (3,402) | (3,406) | (6,446) | |
| • Amortization of unrealized gains (net of foreign exchange losses) | - | (11,945) | (11,945) | - | |
| • Administration expenses | - | (813) | (813) | (577) | |
| • Investment fees | - | (446) | (446) | - | |
| Interest paid on deposits | (2,105) | - | (2,105) | (1,812) | |
| | <u>\$ 238</u> | <u>\$ 315,776</u> | <u>\$ 316,014</u> | <u>\$ 272,713</u> | |

12. ADMINISTRATIVE AND OTHER EXPENSES

The total operating expenses for the Board were:

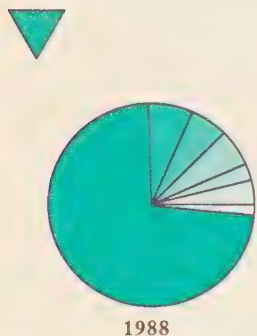
| | 1988 | | | 1987 | |
|------------------------|------------------|--------------------------------------|-------------------|-------------------|-------|
| | Self-Insured | Insured Through Collective Liability | (Total) | (\$000's) | |
| | | | | Total | Total |
| Administration | \$ 23,239 | \$ 196,654 | \$ 219,893 | \$ 227,785 | |
| Accident Prevention | - | 39,454 | 39,454 | 38,699 | |
| Legislated Obligations | - | 25,628 | 25,628 | 22,129 | |
| | <u>\$ 23,239</u> | <u>\$ 261,736</u> | <u>\$ 284,975</u> | <u>\$ 288,613</u> | |

These are more fully described below:

| a) ADMINISTRATION EXPENSES* | 1988 | 1987 |
|--|-------------------|-------------------|
| | | (\$000's) |
| Salaries and employee benefits | \$ 163,468 | \$ 135,682 |
| Travel and vehicle maintenance | 3,725 | 4,191 |
| Supplies and services | 5,727 | 6,554 |
| Equipment costs, including depreciation | 13,490 | 21,499 |
| Occupancy costs - net | 14,608 | 13,571 |
| Communications and publications | 14,956 | 12,482 |
| Other | 6,158 | 7,034 |
| | <u>222,132</u> | <u>201,013</u> |
| Less expenses related to: | | |
| Schedule 2 | 23,239 | 19,803 |
| Downsview Rehabilitation Centre | 1,426 | 1,522 |
| Investments | 813 | 577 |
| | <u>25,478</u> | <u>21,902</u> |
| Net charge to Statement of Income and Expenses | <u>\$ 196,654</u> | <u>\$ 179,111</u> |

* Includes remuneration and expenses for the Board of Directors (\$357 in 1988 and \$270 in 1987).

ADMINISTRATION EXPENSES



LEGEND

- Salaries & Employee Benefits
- Communications & Publications
- Occupancy
- Equipment Costs
- Supplies & Services
- Other
- Travel & Vehicle Maintenance

b) ACCIDENT PREVENTION EXPENSES

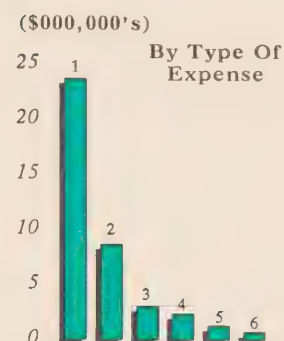
By Category:

| | 1988 | 1987 |
|---|------------------|------------------|
| | (\$000's) | |
| Salaries and employee benefits | \$ 23,598 | \$ 22,654 |
| Travel and vehicle maintenance | 3,073 | 3,107 |
| Supplies and services | 1,068 | 789 |
| Equipment costs, including depreciation | 1,236 | 1,167 |
| Occupancy costs - net | 2,318 | 2,251 |
| Communications and publications | 8,552 | 7,246 |
| Other | (391) | 1,485 |
| | <u>\$ 39,454</u> | <u>\$ 38,699</u> |

By Safety Association:

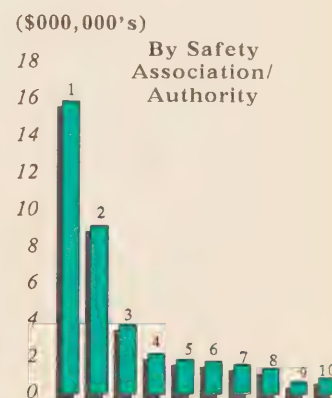
| | | |
|--|------------------|------------------|
| Construction Safety Association of Ontario | \$ 9,229 | \$ 9,079 |
| Electrical Utilities Safety Association of Ontario | 1,893 | 1,732 |
| Forest Products Accident Prevention Association | 1,563 | 1,428 |
| The Farm Safety Association Inc. | 965 | 942 |
| Health Care Occupational Health & Safety Association | 1,815 | 1,805 |
| Industrial Accident Prevention Association | 15,853 | 15,353 |
| Mines Accident Prevention Association of Ontario | 2,236 | 2,151 |
| Ontario Pulp & Paper Makers Safety Association | 732 | 677 |
| Transportation Safety Association of Ontario | 1,362 | 1,289 |
| | <u>35,648</u> | <u>34,456</u> |
| Occupational Health and Safety Education Authority | 3,806 | 4,243 |
| | <u>\$ 39,454</u> | <u>\$ 38,699</u> |

ACCIDENT PREVENTION 1988



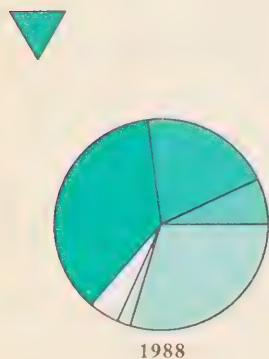
LEGEND

1. Salaries & Employee Benefits
2. Communications & Publications
3. Travel
4. Occupancy
5. Equipment
6. Supplies, Services & Other









LEGEND

1. IAPA
2. Construction Safety Assoc.
3. OHSEA
4. Mines Acc. Prev. Assoc.
5. Elec. Utilities Safety Assoc.
6. Health Care Occ. Health & Safety Assoc.
7. Forest Products Accident Prevention Assoc.
8. Trans. Safety Assoc.
9. Ont. Pulp & Paper Makers Safety Assoc.
10. The Farm Safety Assoc.

LEGISLATED
OBLIGATIONS

LEGEND

| | |
|---|--|
|  | Occupational Health and Safety Act |
|  | Industrial Disease Standards Panel |
|  | Mine Rescue |
|  | Workers' Compensation Appeals Tribunal |
|  | Worker Adviser |
|  | Employer Adviser |

On January 24, 1989 an *Act to amend the Occupational Health and Safety Act* (Bill 208) was tabled in the Legislature by the Minister of Labour. Among the proposed amendments is the creation of the Workplace Health and Safety Agency, which will oversee the Safety Associations (except the Farm Safety Association Inc.), the Occupational Health and Safety Education Authority and the Workers' Health and Safety Centre of the Ontario Federation of Labour.

The proposed Agency will be funded by the Workers' Compensation Board and the Provincial Treasury. However, at this time, it is anticipated that current funding levels will not be increased as the programs are transferred from the Workers' Compensation Board to the new Agency.

c) LEGISLATED OBLIGATIONS

The Board is obligated to defray the administrative costs of the *Occupational Health and Safety Act* for the Government of Ontario. The Workers' Compensation Board's cost has been accrued based on the calendar year just ended.

| | 1988 | 1987 |
|---|------------------|------------------|
| | (\$000's) | |
| <i>Occupational Health and Safety Act</i> | \$ 7,724 | \$ 6,739 |
| Industrial Disease Standards Panel | 604 | 559 |
| Mine Rescue | 1,304 | 1,083 |
| Workers' Compensation Appeals Tribunal | 9,366 | 8,357 |
| Office of the Worker Adviser | 5,122 | 4,227 |
| Office of the Employer Adviser | 1,508 | 1,164 |
| | <u>\$ 25,628</u> | <u>\$ 22,129</u> |

Under Section 86 of the *Workers' Compensation Act*, the Board is obligated to pay the administrative costs of the Workers' Compensation Appeals Tribunal, the Offices of the Worker and Employer Adviser, and the Industrial Disease Standards Panel. All of these autonomous bodies are staffed and managed independently from the Workers' Compensation Board.

Mine rescue costs represent the establishment, maintenance and operation of mine rescue stations, under the *Occupational Health and Safety Act*, as set out in Section 1 (1)(b) of the *Workers' Compensation Act*.

13. RELATED PARTY TRANSACTIONS

In addition to the legislated obligations referred to above, the financial statements also include amounts resulting from routine operating transactions conducted at prevailing market prices with various Ontario Government-controlled ministries, agencies, and Crown corporations with which the Board is related.

Account balances resulting from these transactions are included in the financial statements and are settled on normal trade terms.

14. COMMITMENTS AND CONTINGENCIES

(a) Leases

At December 31, 1988, the Workers' Compensation Board was committed under non-cancellable leases requiring future minimum payments as follows:

| | Capital | Office Space | Other Operating | Total |
|----------------------------------|-----------|-----------------|--------------------|-----------|
| | (\$000's) | | | |
| 1989 | \$ 3,043 | \$ 8,490 | \$ 2,781 | \$ 14,314 |
| 1990 | 2,554 | 8,126 | 1,756 | 12,436 |
| 1991 | — | 7,640 | 541 | 8,181 |
| 1992 | — | 6,910 | 11 | 6,921 |
| 1993 | — | 6,633 | — | 6,633 |
| Beyond 5 years | — | 6,164 | — | 6,164 |
| Total minimum payments | \$ 5,597 | \$ 43,963 | \$ 5,089 | \$ 54,649 |
| Less: | | | | |
| amount representing interest | 586 | | | |
| Obligations under capital leases | \$ 5,011 | | | |

The Board rents office space and equipment under operating lease arrangements having various expiry dates. Shown above are the aggregate minimum annual rental payments under these arrangements. The "Other" operating leases represent long-term equipment rentals.

(b) Investment Transactions

At December 31, 1988, future investment transactions outstanding amounted to \$63.4 million, of which \$3.9 million related to real estate and \$59.5 million related to mortgages.

(c) Pending Legislation

On June 20, 1988, the Minister of Labour introduced an *Act to amend the Workers' Compensation Act*.

This proposal, known as Bill 162, will institute a system of compensation in which workers who are permanently impaired as a result of a work-related injury will receive benefits for non-economic loss, loss of future earnings, and loss of retirement income.

This amendment to the *Workers' Compensation Act*, which has passed its Second Reading in the House, will — if enacted in substantially its present form — increase the Board's liabilities. No provision for such an increase in liability has been made in the 1988 Financial Statements. (However, a reduction in the cost of future permanent disabilities under Bill 162 will provide the funding to retire this additional liability.)

(d) Legal Actions

• Asbestosis

In December of 1986 the U.S. Bankruptcy Court approved a plan to establish the Manville Settlement Trust with assets in excess of \$2 billion. Claims may be made against the Trust, for injuries that workers or others may have suffered, due to exposure to Johns-Manville asbestos products.

The Workers' Compensation Board has, for some years, been paying benefits and expenses to workers suffering from asbestos-related diseases. In view of this, the Board, in 1987, took steps to exercise any subrogated rights that it might have in respect of some 600 asbestos-related claims filed with the Board since 1975 by Ontario workers or their dependents.

At this time the amount the Board might recover from the Manville Trust cannot be quantified.

Other

The Board is party to various claims and lawsuits which are being contested. In the opinion of management, the outcome of such claims and lawsuits will not have a material adverse effect on the Board.

15. UNFUNDED LIABILITY

The Workers' Compensation Board has developed a strategy to eliminate this liability (by means of a surcharge added to all Schedule 1 assessments) by the year 2014. This strategy is implemented and in effect.

16. EMPLOYEE BENEFITS

In addition to direct salaries and pensions, employee benefits represented a \$21.2 million expense in 1988 (1987: \$18.7 million), additional details are as follows:

a) Superannuation

The Board has a defined benefit-based pension plan for its employees, and employees of the provincial safety associations, which provides for pensions based on years of service and earnings rates near retirement.

Net employer's pension expense for 1988 for this defined benefit-based pension plan consists of the following components:

| | 1988 | 1987 |
|--|---------------|-----------------|
| | (\$000's) | |
| Current service cost for current employees | \$ 9,021 | \$ 8,264 |
| Interest added to accrued benefits | 14,807 | 13,272 |
| Interest received on pension fund assets | (19,479) | (17,076) |
| Amortization of surplus | (3,942) | (3,220) |
| Net pension expense | <u>\$ 407</u> | <u>\$ 1,240</u> |

As at December 31, 1988, the plan's funded status was:

| | 1988 | 1987 |
|------------------|------------|------------|
| | (\$000's) | |
| Pension assets | \$ 307,507 | \$ 276,232 |
| Accrued benefits | \$ 229,892 | \$ 207,031 |

Current contribution levels by both employer and employees, and current pension entitlements, are under review to ensure compliance with recent pension reform and amendments to the existing plan will likely be implemented during 1990.

b) Other Benefits

The Board provides comprehensive health insurance coverage to its permanent full-time and regular part-time staff at an annual cost of \$4.4 million (1987: \$3.6 million). The benefits include health insurance, dental, long-term disability and life insurance. The Board also provides vacation and sick leave benefits for its employees.

c) Retiree Programs

Retirees' health benefit coverage is provided by the Board, at a cost of \$476,805 (1987: \$360,197) which includes supplementary health, vision care, dental and life insurance.

Board payments for retiree programs are expensed as costs are incurred, except that in 1988 the Board provided \$8.5 million to fund (pre-pay) a pensioners' life insurance benefit for certain long-term employees to recognize a life insurance retirement benefit commitment to this employee group.

17. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

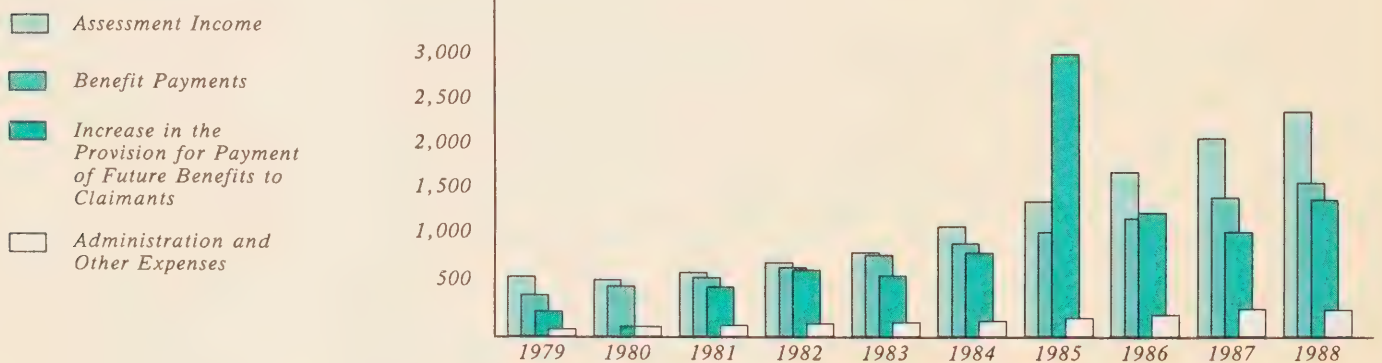
Ten-Year History

TEN-YEAR SUMMARY OF THE STATEMENT OF INCOME AND EXPENSES (\$000's)

| WORKERS' COMPENSATION BOARD (Schedules 1 and 2) | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 |
|--|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| INCOME | | | | | | | | | | |
| Assessment income | \$629,049 | \$591,882 | \$673,247 | \$ 781,201 | \$ 882,458 | \$1,160,272 | \$1,424,310 | \$1,737,312 | \$2,091,929 | \$2,377,262 |
| Investment income | 120,508 | 141,437 | 166,045 | 170,066 | 166,574 | 175,803 | 186,347 | 216,705 | 272,713 | 316,014 |
| | <u>749,557</u> | <u>733,319</u> | <u>839,292</u> | <u>951,267</u> | <u>1,049,032</u> | <u>1,336,075</u> | <u>1,610,657</u> | <u>1,954,017</u> | <u>2,364,642</u> | <u>2,693,276</u> |
| EXPENSES | | | | | | | | | | |
| Benefits paid | 431,175 | 526,989 | 620,513 | 725,915 | 860,093 | 978,611 | 1,098,526 | 1,246,269 | 1,463,509 | 1,624,467 |
| Provision for increase in estimated present value of future payments to Schedule 1 claimants | | | | | | | | | | |
| - special | 190,000 | — | 360,000 | 335,000 | 347,000 | 604,000 | *1,860,000 | 250,000 | — | 200,000 |
| - normal | 70,000 | 100,000 | 160,000 | 365,000 | 293,000 | 276,000 | 1,130,000 | 1,054,000 | 1,096,000 | 1,243,000 |
| Total value of claims/awards | <u>691,175</u> | <u>626,989</u> | <u>1,140,513</u> | <u>1,425,915</u> | <u>1,500,093</u> | <u>1,858,611</u> | <u>4,088,526</u> | <u>2,550,269</u> | <u>2,559,509</u> | <u>3,067,467</u> |
| Administration and other expenses | 78,729 | 100,070 | 116,646 | 137,325 | 146,141 | 162,624 | 192,458 | 230,124 | 288,613 | 284,975 |
| | <u>769,904</u> | <u>727,059</u> | <u>1,257,159</u> | <u>1,563,240</u> | <u>1,646,234</u> | <u>2,021,235</u> | <u>4,280,984</u> | <u>2,780,393</u> | <u>2,848,122</u> | <u>3,352,442</u> |
| Excess of expenses over income | (20,347) | 6,260 | (417,867) | (611,973) | (597,202) | (685,160) | (2,670,327) | (826,376) | (483,480) | (659,166) |
| Unfunded liability beginning of year | (384,186) | (404,533) | (398,273) | (816,140) | (1,428,113) | (2,025,315) | (2,710,475) | (5,380,802) | (6,207,178) | (6,690,658) |
| Unfunded liability end of year | <u>(\$404,533)</u> | <u>(\$398,273)</u> | <u>(\$816,140)</u> | <u>(\$1,428,113)</u> | <u>(\$2,025,315)</u> | <u>(\$2,710,475)</u> | <u>(\$5,380,802)</u> | <u>(\$6,207,178)</u> | <u>(\$6,690,658)</u> | <u>(\$7,349,824)</u> |

*Amendment by the passage of Bill 81, which indexed future annual increases in pensions and temporary compensation payments based on the change in the consumer price index.

(\$000's)



OTHER STATISTICS

| | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total assessable payroll (based on employer estimates \$000,000's) | \$ 30,600 | \$ 32,600 | \$ 37,000 | \$ 40,800 | \$ 41,800 | \$ 48,435 | \$ 52,228 | \$ 58,611 | \$ 65,000 | \$ 71,581 |
| Number of WCB employees as at December 31 each year* | N/A | N/A | N/A | N/A | 3,682 | 3,854 | 4,203 | 4,679 | 4,688 | 4,852 |
| Incidents reported as work injuries | 460,972 | 444,674 | 415,044 | 349,747 | 344,758 | 388,845 | 426,880 | 442,080 | 469,681 | 489,819 |

N/A — Not available

*Includes part-time and temporary staff

WORKERS' COMPENSATION BOARD OFFICES

HEAD OFFICE

Toronto

2 Bloor Street East

Toronto, Ontario

M4W 3C3

(416) 927-7222

Toronto Claims

Information Centre

1382 St. Clair Avenue West

Toronto, Ontario

M6E 1C6

(416) 965-8864

REGIONAL OFFICES

Hamilton

120 King Street West

Hamilton, Ontario

L8P 4V2

(416) 523-1800

London

200 Queens Avenue

London, Ontario

N6A 1J3

(519) 663-2331

Ottawa

360 Albert Street, Suite 200

Ottawa, Ontario

K1R 7X7

(613) 238-7851

Sudbury

30 Cedar Street

Sudbury, Ontario

P3E 1A4

(705) 675-9301

Thunder Bay

P.O. Box 7000

10 Memorial Avenue

Thunder Bay, Ontario

P7C 5S2

(807) 343-1710

Windsor

235 Eugenie Street West

Windsor, Ontario

N8X 2X7

(519) 966-0660

AREA OFFICES

Kingston

234 Concession Street, Suite 304

Kingston, Ontario

K7K 6W6

(613) 544-9682

Kitchener/Waterloo

151 Frederick Street

Kitchener, Ontario

N2H 2M2

(519) 576-4130

North Bay

128 McIntyre Street West

North Bay, Ontario

P1B 2Y6

(705) 472-5200

Sault Ste. Marie

369 Queen Street East, Suite 101

Sault Ste. Marie, Ontario

P6A 1Z4

(705) 942-3002

St. Catharines

Lake Carlton Plaza

161 Carlton Street, Suite 201

St. Catharines, Ontario

L2R 1R5

(416) 687-8622

Timmins

Hollinger Court

100 Waterloo Road

Timmins, Ontario

P4N 4X5

(705) 267-6427

*Long-distance callers may contact Board offices
serving their area free of charge. For toll-free
numbers, consult your local telephone directory.*



**Workers'
Compensation
Board**

**Commission
des accidents
du travail**

THE WORKERS' COMPENSATION BOARD OF ONTARIO

CA20N
L90
-A56
c 2



1989 ANNUAL REPORT

TOGETHER WE'RE GOING TO WORK.

Cover: John Mulcahy, once an injured worker and now plant superintendent of a water heater company and a key figure in the Board's recent Bill 162 advertising campaign, discusses workplace ergonomics with Kathleen Walsh, WCB ergonomics consultant, while Roger Albrecht (left) and Earle Rose work in the background.

The Workers' Compensation Board (WCB) is a statutory corporation created by an Act of the Ontario Legislature in 1914. It is responsible for administering the *Workers' Compensation Act* and Regulations of Ontario. The Board raises funds from the province's employers in order to provide compensation to workers who are injured on the job or who contract an occupational disease.

Compensation includes payment for loss of wages that may result from the injury or disease, economic loss and/or non-economic loss awards for permanent disability, payment of health care expenses, a wide range of vocational and medical rehabilitation services, retraining programs, and survivor benefits in the case of a fatality. The Board also sponsors a range of accident prevention activities.

Colonel The Honourable Lincoln M. Alexander, P.C., K. St. J., Q.C., B.A., LL.D.,
Lieutenant Governor of Ontario

The Workers' Compensation Board is pleased to submit its annual report of operations for 1989.

A handwritten signature in black ink, reading "Robert G. Elgie". The signature is fluid and cursive, with the first name "Robert" and last name "Elgie" clearly legible.

Robert G. Elgie, Q.C., M.D., F.R.C.S.(C), Chairman

TABLE OF CONTENTS

| | |
|-------------------------------------|----|
| Chairman's Message | 4 |
| Board of Directors | 7 |
| Organizational Structure | 8 |
| Executive Committee | 9 |
| An Historical Perspective | 10 |
| President's Report | 13 |
| Facts and Figures | 23 |
| Financial Report | 24 |
| Glossary | 52 |
| Workers' Compensation Board Offices | 54 |

*Si vous désirez obtenir un exemplaire du
Rapport annuel de 1989 en français,
veuillez vous adresser
à la
Commission des accidents du travail,
Direction des communications
2, rue Bloor Est
Toronto (Ontario)
M4W 3C3
(416) 927-3500*

CHAIRMAN'S MESSAGE



Robert G. Elgie

A number of events during 1989 have made this a particularly important year in the life of the workers' compensation system in Ontario. It was a unique year in that it provided us with an opportunity both to reflect on the evolution of workers' compensation in this province and, at the same time, to be a part of that system when wide-ranging amendments to the *Workers' Compensation Act* were passed. From another perspective, and speaking particularly on behalf of all staff at the Board, it was also a year that saw the final stages of organizational and technological change that should be completed during the early part of 1990.

The celebration of the 75th anniversary of the passage of the first *Workers' Compensation Act* in Canada provided all of us with the unique opportunity to look at the odyssey of this important piece of legislation over the years. At the same time, in July of 1989, we witnessed the passage of major legislation amending the *Workers' Compensation Act*. Taken in conjunction with Bill 101, which primarily addressed issues of structure and process, these changes probably represent the most dramatic reform to the *Act* since its original introduction in 1914. The changes flowing from these most recent amendments will significantly change the way in which the Workers' Compensation Board addresses the issues of permanent partial disability and vocational rehabilitation, and it introduces, for the first time in this province, the legislative enactment of a time-limited right of a worker to return to his or her former employment.

Both the occasion of the 75th anniversary of the *Workers' Compensation Act* and the passage of significant amendments to the *Act*, have served to focus our awareness and our understanding of the issues and challenges of the next decade. This unique opportunity has also added renewed vigour to our continuing commitment to deliver the best possible programs and services to Ontario's workers and employers.

The occasion of the 75th anniversary of the passage of the Ontario *Workers' Compensation Act* was commemorated through a major Symposium on workers' compensation issues that was hosted by the Board in Toronto this past fall. That Symposium brought together a number of experts in the field of workers' compensation – individuals who

have, directly or indirectly, helped to mold the system of compensation that we have today. It also gave us an opportunity to review the history of reform that has characterized the past 75 years, as society has endeavoured over the years to bring greater fairness and equity to workers who suffer workplace injuries or illnesses.

The Symposium also provided an appropriate occasion to present the Board's first annual Meredith Medals. Medals were awarded to Paul Weiler, Professor of Law at Harvard University, who has contributed so much to the background work that led to the reform process of the 1980s in Ontario; and to the Honourable Gregory Sorbara, the former Ontario Minister of Labour, who introduced and shepherded Bill 162 through the Legislature. The Meredith Medal is named after Sir William Ralph Meredith, a legislator and subsequently Chief Justice of the Supreme Court of Ontario, whose far-reaching proposals were implemented in the Ontario *Workers' Compensation Act* of 1914. The Meredith Medal will be presented annually to individuals who have made an outstanding contribution to the workers' compensation system in this province.

At this time, I would also like to pay tribute to the members of our Board of Directors who, both individually and collectively, have made very significant contributions to the workers' compensation system and who display a

degree of enthusiasm and commitment to workers' compensation that is truly commendable. They have devoted considerable time and effort to addressing some of the most critical and complex issues facing the compensation system today, all with a view to strengthening and improving that system during an era of challenge, change and renewal.

In 1989, Mr. James Goodison, representative of labour, and Mr. Fred Telmer, representative of employers, joined the Board of Directors to replace Mr. Clifford Evans and Mr. Charles Hantho.

The continuing members of the Board of Directors are: Mr. Joseph Duffy, Mr. David Mackenzie and Ms. Almerinda Rebelo, who are all representatives of workers; Mr. Stephen Hessian, Mr. Paul Richards and Mr. Michael Warren, who are all representatives of employers; and Dr. Maria Zorzitto, who is a representative of professional persons and the public.

It is with regret and sadness that I must note and report the death of one of our former members, Silvia Mecozzi, who passed away on November 16, 1989. Mrs. Mecozzi was a professional social worker who served on the WCB's first Board of Directors from November 1, 1985 to September 30, 1988.

During 1989, the Board made further strides toward the introduction and implementation of a range of new initiatives aimed at improving both the quality of our programs and our ability to better service the needs of our many clients and stakeholders. These initiatives

included both the medical and vocational rehabilitation strategies which are designed to assist workers to recover and return to employment sooner and more successfully; enhanced technology which will increase our effectiveness and efficiency in serving our various constituents; a new claims adjudication strategy to increase and enhance the service provided to our clients; and a new revenue strategy which aims at providing a fair and more equitable employer classification system while maintaining revenue neutrality.

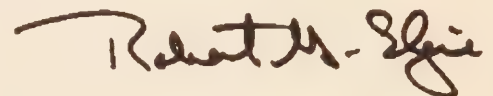
Nineteen eighty-nine has been a time of significant change – and with change there is an inevitable period of disruption. We are indeed fortunate to be staffed and served by a loyal, dedicated and committed group of employees – for they have made and are making it all possible. On behalf of the Board of Directors, I would like to express my sincere thanks to each and every one of them.

This year also brought to light some preliminary figures that suggest the possibility of an earlier retirement of the Board's unfunded liability. Initial estimates indicate that accident frequency rates decreased by roughly five to six per cent during 1989 and, if this improved performance is confirmed and maintained in future years, the unfunded liability would be retired by the year 2007 – some seven years earlier than had been expected.

As we continue over the ensuing years to endeavour to refine and strengthen the workers' compensation system, one cannot help but reflect on the long and heated debate that occurred over Bill 162 – a debate that has proven once again that issues surrounding the compensation of victims of workplace accident and disease are sensitive issues. Nevertheless, I believe that substantial progress has been made in Ontario in the last five years. The legislative and administrative reforms that have been introduced have been pervasive and have altered in a most fundamental way the manner in which the Board operates and will operate in the future.

We will continue to direct our efforts at providing a system that is humane, fair and open to new ideas. Above all, we will continue in our efforts to fulfil the goal envisioned by the founder of workers' compensation in Ontario, Chief Justice William Meredith.

On behalf of the Board of Directors,



Robert G. Elgie, Q.C., M.D., F.R.C.S.(C),
Chairman of the Board

BOARD OF DIRECTORS



Seated (l. to r.): Stephen Hesslan, Maria Zorzitto, Robert Elgie, Alan Wolfson, David Mackenzie.
 Standing (l. to r.): Michael Warren, Ronald Ellis, Joseph Duffy, Paul Richards, Fred Telmer, James Goodison, Almerinda Rebelo.

Robert G. Elgie, Q.C., M.D., F.R.C.S. (C)
 Chairman of the Board

Alan D. Wolfson, Ph.D.
 Vice-Chairman and President,
 Workers' Compensation Board

Joseph Duffy
 Business Manager and Secretary-Treasurer,
 Provincial Building and Construction Trades
 Council of Ontario

S. Ronald Ellis, Q.C.
 Chairman,
 Workers' Compensation Appeals Tribunal

▪ **James V. Goodison**
 Grand Lodge Representative,
 International Association of Machinists and
 Aerospace Workers

▪ **Stephen S. Hesslan**
 Resident Manager,
 Domtar Inc.

David R. Mackenzie
 Assistant to the National Director,
 United Steelworkers of America

▪ **Almerinda M. Rebelo, C.S.W.**
 Executive Director,
 Parkdale Community Health Centre

Paul Richards
 President,
 Johns Scientific Inc.

Fred Telmer
 President,
 Stelco Steel

Michael G. Warren
 Vice-President,
 Johnson & Higgins Willis Faber Ltd.

Maria L. Zorzitto, M.D., F.R.C.P. (C)
 Sunnybrook Health Science Centre

▪ Audit Committee Member

With the implementation of Bill 101 in 1985, the Workers' Compensation Corporate Board was eliminated and replaced by a part-time external Board of Directors, with a full-time Chairman and Vice-Chairman. In keeping with Section 56 of the Workers' Compensation Act, this Board is representative of employers, workers, professional persons and the public. The Board of Directors oversees the development and delivery of workers' compensation policies and programs.

ORGANIZATIONAL STRUCTURE



Downsview Rehabilitation Centre
and OHSEA report to
Central Client Services

EXECUTIVE COMMITTEE



The mandate of the Executive Committee is to assist the Vice Chairman and President in the management of the Workers' Compensation Board's day-to-day affairs. The Executive Committee also ensures that the overall operational and strategic direction of the Workers' Compensation Board is compatible with corporate policies, as set by the Board of Directors.

(l. to r.): Cindy Morton, Senior Vice-President, Strategic Policy and Analysis; Alan Wolfson, Vice-Chairman and President; Sam Van Clieaf, Senior Vice-President, Professional Services; Robert Elgie, Chairman; Linda Angove, Secretary of the Board; Mike Czetyrbok, Senior Vice-President, Regional Client Services; Elizabeth Kaegi, Senior Vice-President, Central Client Services; (kneeling) Robert Coke, Senior Vice-President, Finance and Administration.

AN HISTORICAL PERSPECTIVE

The Workers' Compensation Act

Nineteen eighty-nine marked the 75th anniversary of a major event in the evolution of social policy in Ontario: the passage of the first Workers' Compensation Act of its kind anywhere in Canada.

The *Workers' Compensation Act* received royal assent in the Ontario Legislature in 1914. A year later, the then-named Workmen's Compensation Board opened its doors with 56 employees and handled some 9,829 claims during the year. In 1989, the Workers' Compensation Board (WCB) had more than 4,500 employees province-wide, received approximately 465,000 claims and paid out almost \$1.8 billion in compensation benefits. Over this 75-year span, far more than numbers has changed. The *Act* has been amended several times to introduce important changes to the province's compensation policy and law.

During the early 1900s, industrial accidents in Ontario were climbing at an alarming rate and there was no legislation in place to protect workers. In 1910, as labour pressed for safer working conditions, the Government of Ontario appointed Sir William Ralph Meredith, who later became a Chief Justice of Ontario, to head a Royal Commission on workers' compensation. Following extensive research in Europe and North America, Meredith drafted a report which became the basis of the *Act*.

Three visitors to the Board circa 1940 regard a portrait of Sir William Ralph Meredith, founder of workers' compensation in Ontario.

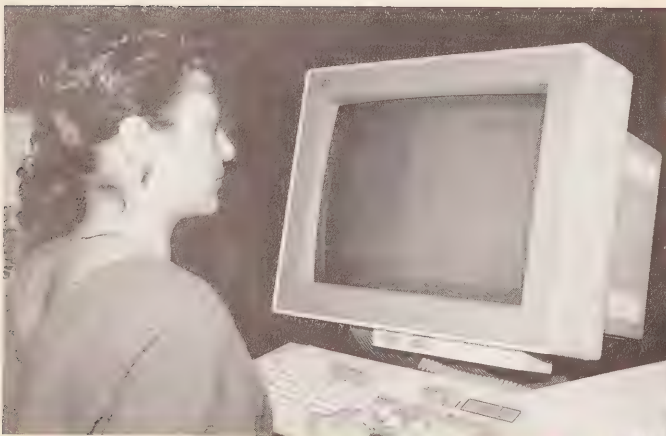


Image Processing Technology commenced in 1989 – a move towards a paperless office.



By 1960, nearly 5 million claim files had been opened.

Under the scheme Meredith proposed, employees gave up the right to sue their employers. A compulsory, publicly administered, collective liability system was established with revenue raised from employer assessments. Benefits would be paid out of this fund to injured workers as protection against income loss due to industrial injuries and diseases, irrespective of fault. Provisions to promote health and safety in the workplace were also included.

The basic principles established by Meredith have remained unchanged since the inception of the Workers' Compensation Board, although important additions have been made:

- 1917 – The *Act* was amended to authorize the Board to pay for medical services.
- 1924 – A Section of the *Act* giving the Board responsibility for vocational rehabilitation was added.
- 1942 – The pension section was repealed and re-enacted and a number of significant changes were made to the permanent disability section of the *Act*.
- 1953 – The first experience rating plan was introduced, whereby the WCB issues refunds or surcharges to firms on their initial assessment, depending on the individual firm's accident cost experience.
- 1963 – The definition of accident was expanded to include "disablement arising out of and in the course of employment."



The cornerstone for the WCB's Harbour Street office was laid in 1951. The Board moved to its present location in 1974.



WCB senior executives and consortium representatives at the opening of the Ontario Workers' Compensation Institute in December 1989.



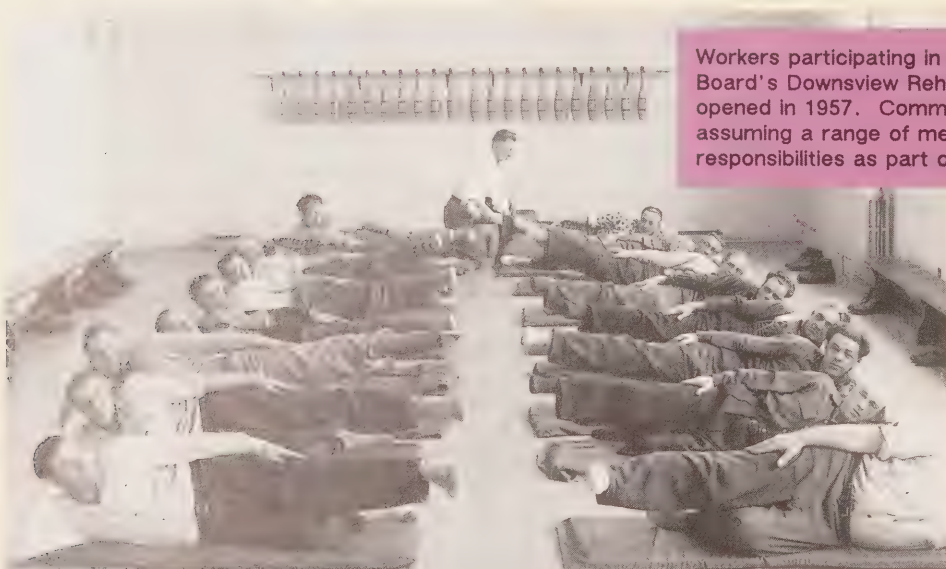
- 1984 – Bill 101 brought major changes to benefits for injured workers, the administrative structure of the WCB, and the establishment of four independent new bodies: the Workers' Compensation Appeals Tribunal, Offices of the Worker and Employer Adviser, and the Industrial Disease Standards Panel.
- 1989 – Bill 162 introduced the dual-award system (compensation for economic and non-economic loss), improved vocational rehabilitation and re-employment provisions.

Over the years, the *Act's* evolution has involved extensive collaboration among numerous groups – including WCB staff, organized labour, injured workers and injured worker groups, employers and business organizations, government officials, members of the Legislature, and members of the health care and legal communities. In the years ahead, the workers' compensation system will continue to be guided by the goal expressed by Sir William Ralph Meredith: "Justice humanely administered".

With the opening of community clinics in 1989, injured workers began participating in active physical therapy programs, as part of the Board's Medical Rehabilitation Strategy.



Workmen's Compensation Board staff circa 1920.



Workers participating in physical therapy at the Board's Downsview Rehabilitation Centre, which opened in 1957. Community clinics are now assuming a range of medical rehabilitation responsibilities as part of a new Board strategy.

PRESIDENT'S REPORT

Nineteen eighty-nine marked the 75th anniversary of the Ontario *Workers' Compensation Act*. This historic year was a time for the Workers' Compensation Board (WCB) to reflect on the evolution of compensation policy and practice, and the key role played by the Board over the years in developing and improving Ontario's workers' compensation system. Nineteen eighty-nine was also a milestone year for Ontario in the development of compensation law and in the implementation of a range of interrelated Board strategies.

The passage of Bill 162 introduced the most significant changes to the *Workers' Compensation Act* since 1914, including changes to the way workers with permanent disabilities will be compensated, and new re-employment rights for injured workers in the province. Consistent with the goals of Bill 162, the WCB took important steps toward the full implementation of its vocational and medical rehabilitation strategies, including the announcement of the Ontario Workers' Compensation Institute. It is also noteworthy that 1989 saw the groundwork laid for a new Revenue Strategy, to create a more responsive and equitable employer classification and assessment system. A number of technological initiatives were undertaken, highlighted by Canada's first large-scale Image Processing system, a move towards a paperless office. Finally, the Board held a Symposium to mark 75 years of compensation law and practice.

The Board's coat-of-arms, developed in 1966, contains three interconnecting links. These links represent – as does the cover photograph of this Annual Report – the Board, employers and workers, and the sense of unity which must prevail among them if Ontario's workers' compensation system is to operate effectively. In 1989, the WCB marked 75 years during which the fostering of this critical, three-way partnership has been paramount in the daily conduct of Board business.

The WCB's recently-adopted public message, "Together We're Going To Work", summarizes the commonality of goals and the co-operative effort which the Board will continue to reinforce among its many clients, stakeholders and its own staff, as the Board embarks on a challenging new decade.

THE WORKERS' COMPENSATION ACT

The *Workers' Compensation Act*, enacted in 1914, was based on a report written by Sir William Ralph Meredith. Over the past 75 years, this *Act* has been amended many times. Today, however, the *Act* still reflects Meredith's goal of "Justice humanely administered".

The WCB's statutory mandate is to administer the *Act*, which has four interrelated central principles: First, the *Act* provides workers with no-fault insurance protection against the financial impact of workplace injuries and diseases. Second, it requires employers to share compensation costs on a



The coat-of-arms of the Workers' Compensation Board includes three links of chain representing the Board, workers and employers.



Kevin Benders (centre), a WCB worksite analyst, shows Mohammed Ansari, a re-employed injured worker, the safest way to empty a heavy bag of milk mix into the mixing machine, while Cathie Farrell, The Becker Milk Company's quality control manager, looks on.

collective liability basis and provides them with protection from legal actions arising out of workplace injuries. Third, the *Act* authorizes the Board to provide medical and vocational rehabilitation to mitigate the effects of injuries and to promote early return to work and regular activities. Finally, the *Act* authorizes the support of health and safety education programs and the provision of financial incentives to reduce the occurrence of workplace accidents and diseases.

BILL 162

Bill 162, *An Act to amend the Workers' Compensation Act*, received royal assent in the Ontario Legislature on July 26, 1989. This legislation is the most dramatic and sweeping reform of the *Workers' Compensation Act* since its inception in 1914. Bill 162, which was proclaimed and fully effective on January 2, 1990, has two major thrusts: a dual-award system and reintegration of the injured worker into the workforce.

Immediately following royal assent, transitional provisions were implemented. More than 22,000 current recipients with permanent injuries whose pensions did not adequately make up for their loss of earnings capacity are entitled to supplementary payments. Workers injured prior to the proclamation of the legislation were notified that their permanent pensions are unaffected by Bill 162.

The dual-award method is the new system for compensating workers who are permanently impaired as a result of workplace illness or injury. Unlike the old compensation method, the dual-award system is not based on a clinical rating schedule and does not calculate compensation levels solely on the basis of the degree of physical impairment. Ontario workers experiencing a job-related injury or illness may now be eligible for one or both types of compensation awards.

One award will compensate workers for their estimated economic loss – their future loss of earnings, thus in keeping with Meredith's original view that the "amount of compensation should have relationship to the earning power of the injured workman." The other award will compensate workers for their non-economic loss – their loss of enjoyment of non-work-related aspects of life.

In laying the groundwork for the implementation of the economic/non-economic loss provisions, nearly 14,000 injured workers participated in a province-wide Board survey during 1989. Results will be used to facilitate the implementation of the dual-award system and to develop new adjudication guidelines and procedures.

The legislation also focuses on the reintegration of injured workers into the workforce earlier and more successfully through timely and effective vocational rehabilitation. It places an obligation on most employers to re-employ injured workers who have at least one year of continuous service. The Bill also requires employers to continue contributing to a worker's benefits for up to one year after the date of accident. The Board has set up a Reinstatement Branch to mediate and adjudicate these provisions.

MEDICAL AND VOCATIONAL REHABILITATION STRATEGIES

During 1989, the WCB continued its implementation of the new medical and vocational rehabilitation strategies.

The Medical Rehabilitation Strategy emphasizes community-based, early, active rehabilitation treatment and medical assessment in order to get workers into appropriate programs sooner and more successfully. It is based on an interrelated, three-tier system of service delivery.

Community clinics across the province provide active physical therapy programs for workers with soft-tissue injuries. During 1989, the Board selected and contracted with 69 community clinics to provide treatment to injured workers, and by year's end, 90 per cent were operational.

Regional Evaluation Centres (RECs) provide multi-disciplinary health care assessments and functional abilities evaluations of workers whose recovery is prolonged and whose return to work is more difficult than usual. These centres will also provide consultative services to community clinics. During 1989, 11 regional evaluation centres were selected throughout Ontario.

The Ontario Workers' Compensation Institute, which opened in December 1989, is the first facility of its kind in North America. This Institute was established to conduct research related to occupational injuries and rehabilitation. In a co-operative effort, it will develop and monitor quality standards for community clinics and regional evaluation centres and also assist in training and program development.

The Institute is a consortium consisting of the WCB, Chedoke-McMaster Hospitals in Hamilton and Sunnybrook Health Science Centre in Toronto, in affiliation with, respectively, McMaster University and the University of Toronto. The WCB, which has representation on the Institute's Board of Directors, provides funding.



Sue Hannan, occupational therapist at the Regional Evaluation Centre, Oshawa General Hospital, administers a functional abilities evaluation to client Stephen Chan, who attempts to put together the "assembly tree", a workstation which challenges perceptual, analytical and mechanical skills.



Larry George (centre), placement adviser at the London Regional Office, and employer Stella MacLachlan, general manager of White GMC of London, review re-employment papers with Kimble Kirschner, an injured worker recently hired as a warranty administrator by White GMC.

The Vocational Rehabilitation Strategy, which is fully consistent with the new legal requirements stipulated in Bill 162, was designed to reintegrate injured workers into the workforce earlier and more successfully. The strategy was piloted in the Board's Toronto West and Central Ontario South Integrated Service Units (ISUs) and in the London Regional Office. It involves close co-operation among the injured worker, the employer, the treating physician and the Board caseworker – a newly created position. On January 1, 1990, the strategy was implemented province-wide.

Under the new strategy, and in keeping with Bill 162, injured workers are contacted by the Board no later than 45 days after a claim is registered to assess their need for vocational rehabilitation services. For those injured workers who

have not returned to employment within six months, the Board will offer a vocational rehabilitation assessment. Where necessary, additional medical rehabilitation is also offered. The strategy's primary goal is to re-establish workers' pre-accident earnings profiles by getting them back to their pre-injury jobs or finding them comparable work with the accident employer.

Full implementation of both the medical and vocational rehabilitation strategies is expected to increase the Board's expenditures by more than \$50 million per year. These costs, however, are expected to be more than offset by savings associated with reduced duration of disability, quicker return to work and reduced likelihood of permanent impairment.



WCB Chairman, Dr. Robert Elgie, addresses a group of employers on current initiatives at the Board.

REVENUE STRATEGY

A new Revenue Strategy was approved by the Board of Directors in November 1989. The goal of this strategy is to create a more modern, responsive and equitable employer classification and assessment system, while maintaining revenue neutrality.

Key strategy proposals include the development of a new employer classification model, the introduction of additional collective liability principles, modifications to assessment billing and payment methods, more aggressive registration, audit and collection procedures, and a new approach for calculating assessable earnings.

To ensure the successful implementation of the new classification system, the Board of Directors has approved a general rate freeze for the 1991 assessment year. For most employers,

assessment rates will be frozen at 1990 levels. This freeze will allow the WCB and the employer community to focus resources on refining the new strategy.

In developing the Revenue Strategy, the Board undertook a comprehensive consultation process with employer groups, which will continue during 1990. Two consultation advisory groups, one consisting of employer representatives and the other comprising labour and injured worker representatives, will be established to provide input on further development of the strategy.

In 1989, the Board published the first two issues of *Revenue Bulletin*, a quarterly publication which provides information to all Schedule 1 employers about the revenue and assessment process.



Rick Ouellette, WCB labour-management consultant, discusses modified work programs with employers attending a New Experimental Experience Rating (NEER) workshop.

UNFUNDED LIABILITY

While the Revenue Strategy was being refined, the Board continued to monitor its unfunded liability – the difference between the present value of its liabilities and its assets. Over the past five years, the WCB has implemented a sound long-term funding strategy to address this issue. There is considerable evidence to suggest that this approach is working successfully.

Allowed lost-time accidents occurring in 1989 have decreased by approximately four per cent with respect to the corresponding statistic for 1988. It also appears that the covered workforce increased by almost two per cent in 1989. The combination of these two changes caused the overall accident frequency rate for 1989 for Schedule 1 employers to decrease by almost six per cent.

If this new accident frequency rate holds firm, and average costs per claim are maintained at their recent level, the unfunded liability, excluding the impact of Bill 162, is projected to peak at about \$8 billion in about three to four years. This would be about \$2 billion lower than the previously forecast \$10 billion peak in about the year 2000.

The Bill 162 transitional supplement provisions will add under \$1 billion to this unfunded liability projection, with the associated costs expected to be matched by a corresponding reduction in other ongoing benefit expenditures.

Earlier forecasts had projected total elimination of the unfunded liability by the year 2014, in line with the Board's long-term financial strategy. If the 1989 accident performance is maintained over the long term, it could result in elimination of the unfunded liability seven years earlier – by the year 2007.

EXPERIENCE RATING PROGRAMS

A reduction in accidents can lead to positive financial results not only for the compensation system generally, but also for individual employers. The Board continues to operate various experience rating programs, which issue refunds or surcharges to firms on their initial assessment, depending on the individual firm's accident cost experience.

By providing financial incentives, experience rating helps to improve workplace health and safety conditions and thus reduce the frequency, seriousness and disabling consequences of work injuries. Moreover, these incentives encourage employers to participate actively in vocational rehabilitation programs in order to help injured workers return to the job. In this sense, experience rating helps to reinforce the provisions of Bill 162.

In the spring of 1989, the Board initiated a year-long evaluation project to assess the effectiveness of the Board's experience rating programs, with particular emphasis on the New Experimental Experience Rating (NEER) plan. During the year, five new rate groups joined NEER, bringing NEER-rated employer groups to a total of 22, while 12 others are currently examining the possibility. In addition, a revised NEER formula was introduced, resulting in refunds and surcharges, each of approximately \$61 million.

In 1989, the Board developed and implemented a vigorous communications strategy to raise understanding and acceptance of the plan among current and prospective NEER employers. A telephone survey of approximately 500 NEER employers, conducted in October 1989, demonstrated empirically that the campaign had played a positive role in raising awareness levels.

WORKWELL

Like Experience Rating, the Workwell Program focuses on workplace safety, requires co-operation between the WCB, employers and workers, and offers awards. This program was implemented by the Board in 1989 on a pilot project basis. Workwell staff at the WCB conduct occupational health and safety audits of firms which have nominated themselves for Workwell rebates. Firms found to have poor safety practices may be assessed penalties under Section 91(4) of the *Act*, while firms with excellent performance records may be awarded rebates under Section 91(6).

The Section 91(4) portion of Workwell has been approved as a permanent program by the Board. The Section 91(6) portion is to be continued as a pilot project for a further 12 months, with an evaluation report due by the end of 1990.

CLAIMS ADJUDICATION STRATEGY

While financial programs offer incentives to employers, the Board's new Claims Adjudication Strategy optimizes the efficiency and equity of adjudication. After careful study, the Board of Directors approved the strategy in August 1989. A pilot was implemented in the Central Ontario East ISU during the year and full implementation will occur in 1990.

The strategy calls for significant changes in the way the Board adjudicates claims. These include case co-ordination, cyclical case review, performance standards, quality assurance, and the creation of new adjudication specialties. The most important change is the introduction of adjudicator assistants to conduct information-gathering, client contact, as well as clerical and less complex adjudication duties. With the help of assistants, claims adjudicators can devote more time to case analysis, decision-making and communicating decisions.

The strategy also enhances the salary system and career path of adjudicators in recognition of the new role of the adjudicator and to encourage experienced staff to remain in adjudication.



Lillian Augustowski, junior entitlement adjudicator in Central Ontario East ISU, discusses assignments with Wally Razack, adjudicator assistant.

TECHNOLOGY TO IMPROVE SERVICE

To support the claims adjudication process, the implementation of Image Processing Technology was commenced at the Board during 1989. This system will replace the paper claim file with an electronic copy which can be reviewed from any of 600 image workstations across the province. Since all imaged

claims are instantly available, WCB employees in different areas can work together simultaneously on the same claim. As a result, the claims process is more efficient and client enquiries are better handled.

The system also automates the distribution of incoming mail to the Board in a way that increases efficiency and control – and virtually eliminates the delays and costs associated with paper reproduction, transfer, storage and retrieval. Over time, Image Processing will create an essentially paperless claims adjudication process.

During 1989, Image Processing was implemented in the Central Ontario East Integrated Service Unit and the Hamilton Regional Office. Imaging will be introduced in the remaining ISUs and regional offices during 1990, making the system the second largest of its kind in the world.

In 1989, the Board implemented a new Claims Registration System (CRS), which will speed up the process of registering claims. Working jointly with CRS is the new Workers' Benefit System (WBS), also implemented in 1989. This system was developed to replace the Board's previous payment method. WBS automates, and therefore accelerates, the payment process and provides timely, on-line information for the management of claims. Enhancements to WBS will be made in 1990 to accommodate requirements of Bill 162 and the 1989-approved payment of interest on delayed benefits.

IMPROVED COMMUNICATIONS AND CUSTOMER SERVICE

A top priority during 1989 was the Client Contact Project, initiated to examine various options to improve the Board's telephone service. The WCB began implementing an automatic telephone-answering system in 1989. An automated payment hotline was also piloted with good results and full implementation across the province will be completed by mid-1990. As well, improved call routing was explored and new technology was introduced to improve our ability to monitor and manage telephone service levels.

The Corporate Communications Strategy was approved by the Board of Directors in October 1989. This document defines the strategic direction for the Board's communications activities, both internally and externally, ensuring public information services congruent with client and stakeholder needs of the 1990s.

In February 1989, the Ontario French Language Services Commission approved the Board's *French Language Services Act* implementation plan. This plan outlined the accomplishments already achieved by the Board and charted a strategy to improve those areas in which French services were lacking. During the year, a bilingual file system was initiated in the Ottawa and Sudbury Regional Offices – and the Board's internal telephone directory was updated to identify staff with French-speaking capability.

In 1989, the WCB also created a Freedom of Information Secretariat.

INITIATIVES FOR STAFF

Along with the many accomplishments achieved for its clients – the injured workers and employers of Ontario – the Board introduced new initiatives for staff during 1989.

Integral to the implementation of the Board's Employment Equity Program was the development of a data base to facilitate the ongoing demographic analysis of the Board's workforce.

Similarly, a Pay Equity Survey was completed to derive information necessary to the development of a plan to meet the Board's obligations under the *Pay Equity Act*. The results of this survey were utilized to put into place a comprehensive Pay Equity plan.

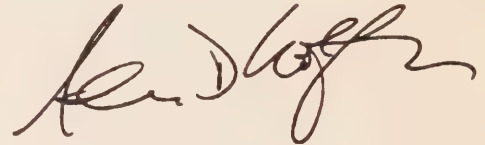
ORGANIZATIONAL CHANGES

The Board conducted an evaluation of the Integrated Service Units (ISUs) and regional offices during the year to determine service effectiveness. The study confirmed that the ISUs – which have been in place for over two years – have improved operational efficiency in returning injured workers to work. Therefore, in 1990, the ISU structure will be introduced in all regional offices, thus integrating the Board's approach to case management on a province-wide basis.

The integration of regional services and the new Claims Adjudication Strategy have led to the development of a new Integrated Service Unit model. Some features of the new model are applicable to management throughout the Board and have been included in the Board's 1990 Corporate Realignment Plan. This plan is expected to improve the organization of existing functions and programs within all Board divisions, and is scheduled for full implementation during the summer of 1990.

Under the new structure, the Board will consist of seven divisions, each with its own specific focus and expertise: Central Client Services, Regional Client Services, Professional Services, Finance and Administration, Strategic Policy and Analysis, Information Services, and Investments.

As the Workers' Compensation Board enters a new decade, it takes with it past experience, current plans for progress and the commitment to ensure that the Board, workers and employers throughout Ontario will continue to work together in the delivery of an effective and responsive workers' compensation system.



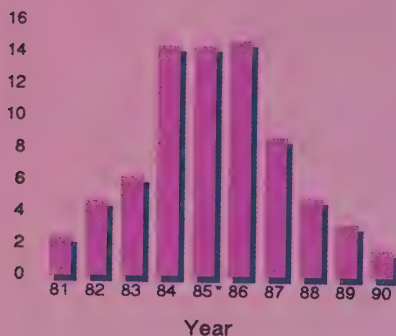
Alan D. Wolfson
Vice-Chairman and President

The Board has undergone major systems development in 1989. As a result, changes in the way claims and benefits are now recorded have made it difficult to compile statistics consistent with those reported in previous years. Accordingly, a separate statistical report is being prepared and will be published later in the year.

FACTS AND FIGURES

PER CENT CHANGE IN THE AVERAGE RATE OF ASSESSMENT - SCHEDULE 1, 1981-1990

Percentage Change



* Adjusted for increase in assessable earnings ceiling under Bill 101 in 1985.

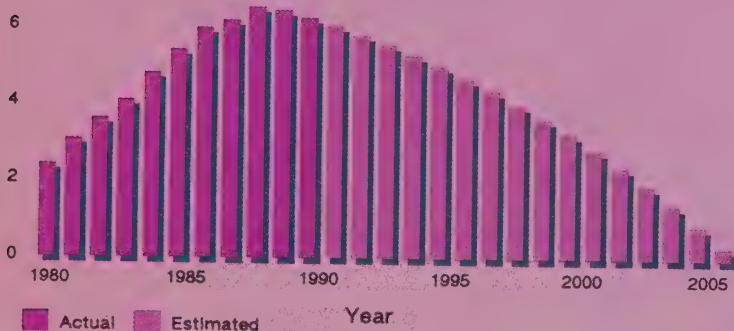
PERCENTAGE OF ADMINISTRATION TO TOTAL EXPENSES - SCHEDULE 1, 1980-1989

Percentage



UNFUNDED LIABILITY IN 1985 DOLLARS
1980 - 2007

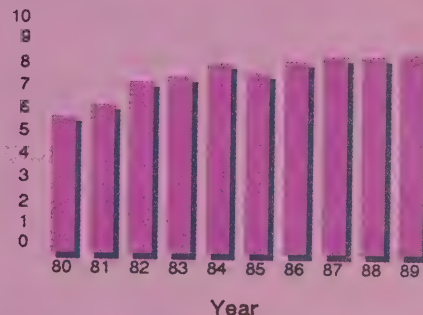
\$ Billions



Note: Projection based on retention of 1990 target assessment rate (\$3.28), and on maintenance of accident frequency rates and real costs per claim at 1989 levels (excludes impact of Bill 162).

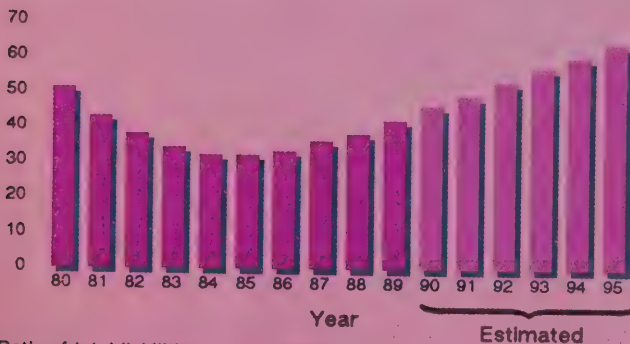
AVERAGE COST PER CLAIM (1985 DOLLARS)
1980-1989

\$ Thousands



FUNDING RATIO*,
1980-1995

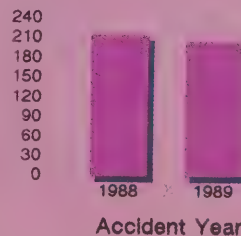
Percentage



* Ratio of total liabilities to total assets.

ALLOWED LOST-TIME ACCIDENTS, 1988-1989

Thousands



Note: The count of allowed lost-time accidents for a given year is determined by the accident date. For example, the number of 1989 lost-time accidents is based on the actual count of claims allowed as of April 1, 1990, increased by an estimate of the growth expected to result from the subsequent registration of claims for accidents which occurred in 1989.

WORKERS' COMPENSATION BOARD FINANCIAL REPORT

Year Ended December 31, 1989

| CONTENTS | Page |
|---|------|
| Financial Report | 25 |
| Responsibility for Financial Reporting | 32 |
| Audited Financial Statements: | 33 |
| – <i>Statement of Income and Expenses</i> | 33 |
| – <i>Auditor's Opinion</i> | 34 |
| – <i>Balance Sheet</i> | 35 |
| – <i>Consulting Actuary's Report</i> | 36 |
| – <i>Statement of Changes in Financial Position</i> | 37 |
| – <i>Notes to the Financial Statements</i> | 38 |
| Ten-Year History | 51 |

FINANCIAL REPORT

The Workers' Compensation Board (WCB) raises funds from Ontario employers to compensate workers for work-related injuries.

Statutory obligations require that the Board cover two groups of employers:

Schedule 1, the majority of the employers, who are insured through collective liability, and Schedule 2, who are self-insurers, whose costs are administered for them by the Workers' Compensation Board.

The following comments constitute management's discussion and analysis of the Board's 1989 results, and will assist the reader in understanding the WCB's financial statements:

HIGHLIGHTS

Three major issues stand out in the Board's 1989 results:

- the successful continuation of the Board's financial strategies and the resulting very significant excess of cash receipts over cash payments (a positive net cash flow of \$830 million), which represents funds invested in order to ensure the Board's ability to pay the costs of future benefit payments.
- a decline in reported lost-time injuries (down slightly at 206,600 against 215,186 for 1988).
- the one-time impact of the Ontario Government's new legislative changes, namely a \$630 million charge as a result of the passing of Bill 162.

Overall results are as follows:

| | 1989 | 1988 | Change |
|---------------------------|---------------|----------|---------|
| | (\$ millions) | | |
| ▪ Income | \$ 3,087 | \$ 2,693 | + 14.6% |
| ▪ Total Awards & Expenses | 3,267 * | 3,198 * | + 2.2% |
| ▪ Assets | 5,650 | 4,641 | + 21.7% |

* As amended - to remove distortions caused by both years' special charges, in order to be more comparable.

The Board's assets (\$5.7 billion) increased by 22% over 1988, the major change being marketable investments (\$4.6 billion) which increased 18% compared to 1988.

While total liabilities continue to exceed total assets (giving rise to the existence of an “unfunded liability”), the WCB is financially sound, and able to meet all foreseeable future obligations because:

- Annual revenues far exceed annual cash payments, and this is expected to continue.
- 1989 revenues more than cover the total cost of 1989 claims.
- While the overall size of the actuarial liabilities is substantial (\$13.8 billion), only a small portion of this is expected to fall due for payment in the next few years. In each of those years, it is expected that these liabilities will be covered by our revenues and, therefore, existing assets are expected to continue to grow.
- The Board's published strategy to eliminate the unfunded liability by the year 2014 is in place, and is in fact already running well ahead of that target.

The statement of income and expenses for 1989 injuries, below, demonstrates that 1989 revenues were well in excess of 1989 awards and expenses, for Schedule 1 employers:

■ Excludes the \$292 million collected from employers for their 1989 payment (surcharge) towards retiring the unfunded liability.

The WCB's unfunded liability is being retired by applying a share of the money it collects from employers as assessments, which is in excess of costs for current claims.

A significant new trend was that claims declined in 1989. Workplace injuries involving lost time declined about four per cent last year after they had increased steadily for five years.

Contributing to the decline in injuries were several factors, which are still being analyzed.

This decline could potentially have major, long-term financial effects on the workers' compensation system. If this improved performance is confirmed by subsequent data and maintained in future years, the effect on the Board's financial picture would be substantial and positive.

RESULTS OF OPERATIONS

In 1986 and 1987, the Board decentralized over one-third of its claims management activities from head office to the regional offices with the result that about half of all claims are now handled by the regional offices. In 1989, 51.9% of claims were handled by head office Integrated Service Units (ISUs) and 48.1% were handled by regional offices.

In 1989, the WCB continued to see a **large positive net cash flow** of \$830 million. This cash flow, which has been invested, is the result of two principal factors:

- **Timing differences**
WCB assessment rates are established to cover the full expected cost of current year's claims: current year's claims involve not only current payments but also the significant future payments which are expected to be required.
- **Inclusion of a surcharge**
WCB assessment rates have been increased during the past five years by a surcharge, in a planned strategy to fully fund total liabilities over a period of thirty years.

However, on an accrual basis, comparing (a) the expected total cost for 1989 claims (i.e. payments made plus payments expected to arise in the future, when all costs are in), plus payments made in 1989 on prior year claims, plus increases in liabilities on prior year claims, with (b) the total revenues the Board collected, the result is an excess of claims benefits and expenses over income, by an amount of \$1,119 million (\$489 million after excluding the impact of Bill 162).

INVESTMENTS

The Board observes a conservative investment policy to protect the interests of both injured workers and employers.

Current guidelines of this policy are:

- **Meet** all legislative requirements.
- **Maximize** return within acceptable risk.
- **Emphasize** cash management; matching investment activity with the Board's day-to-day cash flows.

The Board maintains a diversified portfolio, including federal and provincial government securities, as well as corporate bonds, stocks, and real estate investments, thereby reducing the risk of over-exposure in any one area.

Relative percentages (at book value) are:

| | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 |
|------------------------------|------------|------------|------------|------------|------------|------------|
| Long-Term Investments | | | | | | |
| ▪ bonds | | | | | | |
| - government | 38 | 37 | 29 | 27 | 30 | 27 |
| - corporate | 27 | 35 | 39 | 35 | 27 | 25 |
| ▪ equities | | | | | | |
| - Canadian | - | - | 3 | 4 | 12 | 19 |
| - U.S. | - | - | 2 | 3 | 3 | 3 |
| - Global | - | - | - | - | - | 9 |
| ▪ real estate and mortgages | <u>23</u> | <u>21</u> | <u>19</u> | <u>15</u> | <u>15</u> | <u>14</u> |
| Sub-total | 88 | 93 | 92 | 84 | 87 | 97 |
| Short-Term | | | | | | |
| (money market instruments) | <u>12</u> | <u>7</u> | <u>8</u> | <u>16</u> | <u>13</u> | <u>3</u> |
| | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

In 1989, the Board continued to increase the portion of its portfolio invested in equities. Two new equity funds were established in Europe and the Far East, and the existing equity holdings in Canada and the U.S. were expanded.

Further data for the Board's investment portfolio are shown in the notes to the audited financial statements.

RATE SETTING

In 1989, the Board continued to use an assessment rate strategy which provides for collective liability among employers, but which also reflects the experience of their own businesses and industry groups.

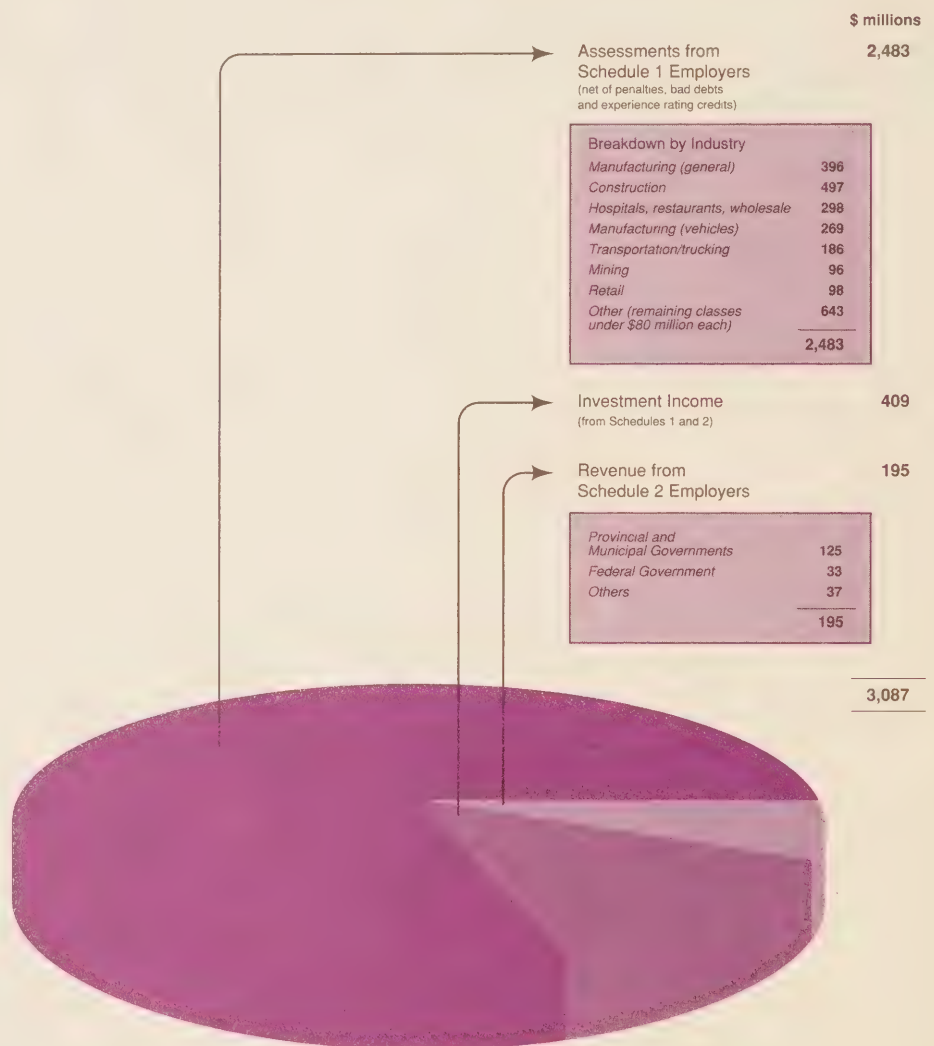
In 1989, 205,000 Schedule 1 employers were assessed by the Workers' Compensation Board. The average assessment rate per hundred dollars of assessable payroll was \$3.12 in 1989, an increase of 3.3% over the 1988 average rate of \$3.02. The maximum assessable earnings increased to \$36,600 in 1989 from \$35,100 in 1988. These increases, along with larger payrolls reported by Ontario employers, resulted in an 11% increase in assessment revenue, from \$2.28 billion in 1988 to \$2.53 billion in 1989.

It is the policy of the Board to set and publish rates at an early date so that employers may budget for the coming fiscal year. Assessment rates for 1990 were approved by the Board in October of 1989. The average increase over 1989 is 1.9%, with no individual rate increase or decrease greater than 10%, except for those rate groups which received special adjustments. Altogether, 47 rate groups experienced a rate decline for 1990, 61 rate groups experienced rate increases, and one rate group remained constant.

REVENUE AND EXPENSE

The next two pages show principal sources of revenue and where that money is spent.

Revenue—Where the money comes from



Spending—Where the money goes



The pages that follow are the WCB's official "annual financial statements," prepared to comply with all statutory requirements in accordance with the policies detailed on pages 38 and 39.

RESPONSIBILITY FOR FINANCIAL REPORTING

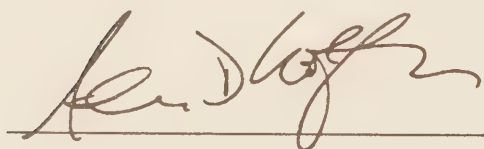
The accompanying financial statements were prepared by management in accordance with generally accepted accounting principles, consistently applied, and include some amounts based upon management's best estimates and judgements. Any financial information contained elsewhere in the annual report conforms to these financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss. The Board of Directors has established an Audit Committee, comprising three directors who are not officers or employees of the Board, to ensure that management fulfills these responsibilities. The Audit Committee meets periodically with management, the internal auditors and the external auditors to ensure that their responsibilities are properly discharged with respect to financial statement presentation, and disclosure and recommendations on internal control.

The Internal Audit Branch performs audits designed to test the adequacy and consistency of the Board's internal controls, practices and procedures.

The external auditors, Arthur Andersen & Co., working on behalf and under the direction of the Provincial Auditor, have performed an independent examination of the financial statements of the Board in accordance with generally accepted auditing standards and accordingly included an evaluation of the Board's systems of internal control. The Provincial Auditor's report outlines the scope of this independent examination and his opinion on the financial statements of the Board.

The firm of Eckler Partners Ltd. has been appointed as the independent consulting actuaries to the Board for year-end 1989. Their opinion on the adequacy and appropriateness of the valuation of the Board's actuarial liabilities, and on the proper provision for these costs, is presented as a part of these financial statements.



Alan D. Wolfson
Vice-Chairman
and President



Robert J. Barnett
Executive Director
Finance & Administration
& Chief Financial Officer

STATEMENT OF INCOME AND EXPENSES

WORKERS' COMPENSATION BOARD Statement of Income and Expenses For Year Ended December 31, 1989

| | 1989 | | 1988 | |
|---|-------------------|--|-----------------------|-----------------------|
| | Self-Insured | Insured Through Collective Liability (\$ thousands) | Total | Total |
| INCOME | | | | |
| Assessment (Note 9) | \$ 194,530 | \$ 2,483,387 | \$ 2,677,917 | \$ 2,377,262 |
| Investment (Note 11) | 326 | 408,905 | 409,231 | 316,014 |
| | <u>\$ 194,856</u> | <u>\$ 2,892,292</u> | <u>\$ 3,087,148</u> | <u>\$ 2,693,276</u> |
| EXPENSES | | | | |
| ▪ Awards | | | | |
| Benefits paid (Note 10) | 169,202 | 1,612,528 | 1,781,730 | 1,624,467 |
| Provision for increase in estimated present value of future pay- ments to existing Schedule 1 claimants (Note 6) | | | | |
| – normal | – | 1,177,000 | 1,177,000 | 1,289,000 |
| – special (Bill 162) | – | 630,000 | 630,000 | – |
| – unusual | – | 310,000 | 310,000 | 154,000 |
| Total value of claims/awards | 169,202 | 3,729,528 | 3,898,730 | 3,067,467 |
| ▪ Administrative and other expenses (Note 12) | 25,654 | 282,194 | 307,848 | 284,975 |
| | <u>\$ 194,856</u> | <u>\$ 4,011,722</u> | <u>\$ 4,206,578</u> | <u>\$ 3,352,442</u> |
| Excess of expenses over income | | (1,119,430) | (1,119,430) | (659,166) |
| Unfunded liability, beginning of year | | (7,349,824) | (7,349,824) | (6,690,658) |
| Unfunded liability, end of year | | <u>\$ (8,469,254)</u> | <u>\$ (8,469,254)</u> | <u>\$ (7,349,824)</u> |



OFFICE OF THE PROVINCIAL AUDITOR
BUREAU DU VÉRIFICATEUR PROVINCIAL

| | |
|---|---|
| Box 105, 15th Floor, 20 Dundas St. West | C.P. 105, 20, rue Dundas ouest, 15 ^e étage |
| Toronto, Ontario M5G 2C2 | Toronto (Ontario) M5G 2C2 |
| (416) 974-9866 Facsimile (416) 324-7012 | (416) 974-9866 Télécopieur (416) 324-7012 |

To the Workers' Compensation Board
and to the Minister of Labour:

I have examined the balance sheet of the Workers' Compensation Board as at December 31, 1989 and the statements of income and expenses and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
May 1, 1990

D. F. Archer, F.C.A.
Provincial Auditor

BALANCE SHEET

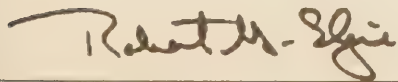
WORKERS' COMPENSATION BOARD

Balance Sheet

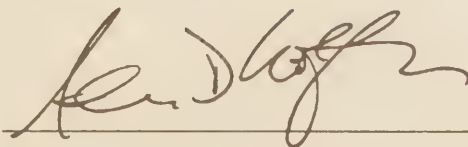
December 31, 1989

| | | 1989 | 1988 |
|--|------|---------------------|---------------------|
| | | (\$ thousands) | |
| | Note | | |
| ASSETS | | | |
| Cash | | \$ 446,015 | \$ 223,725 |
| Investments | 3 | 4,621,063 | 3,909,313 |
| Other assets | 4 | 542,479 | 479,813 |
| Fixed assets | 5 | 40,866 | 27,778 |
| | | <u>\$ 5,650,423</u> | <u>\$ 4,640,629</u> |
| LIABILITIES | | | |
| Accounts payable and accrued charges | 8 | \$ 294,557 | \$ 291,486 |
| Current portion of future payments to Schedule 1 claimants for past claims | 6 | 1,370,000 | 1,187,000 |
| Capital lease obligations | 14 | 8,962 | 5,011 |
| Net deposits | 7 | 36,158 | 30,956 |
| | | <u>1,709,677</u> | <u>1,514,453</u> |
| Estimated present value of future payments to Schedule 1 claimants excluding current portion | 6 | 12,410,000 | 10,476,000 |
| | | <u>14,119,677</u> | <u>11,990,453</u> |
| Unfunded liability | 15 | (8,469,254) | (7,349,824) |
| | | <u>\$ 5,650,423</u> | <u>\$ 4,640,629</u> |

On behalf of the Board:



Robert G. Elgie
Director



Alan D. Wolfson
Director

ECKLER PARTNERS LTD.

CONSULTING ACTUARY'S REPORT ON THE VALUATION OF THE ACTUARIAL LIABILITIES OF THE SCHEDULE 1 ACCIDENT FUND OF THE WORKERS' COMPENSATION BOARD OF ONTARIO AS AT DECEMBER 31, 1989

The estimated present value of future compensation, rehabilitation and pension payments and health care expenses under Schedule 1 on account of accidents that occurred on or before December 31, 1989 in the amount of \$13.78 billion has been determined by the Board's Staff Actuaries, after consultation with us. We believe that the assumptions made in this valuation are appropriate and that the methods employed are in accordance with sound actuarial principles. We have made such tests of the calculations as were deemed necessary. We have also examined the data upon which the calculations were based and found it to be sufficient for the purposes of the valuation and consistent with the Board's financial statements. As in previous valuations, the present value does not include provision for future claims related to industrial disease or for future expenses of administration.

The present value reported above includes an amount of \$630 million with respect to benefits under the transitional provisions of Bill 162 which provide for supplemental pensions to certain disabled workers who would not have been eligible for supplemental pensions prior to the enactment of Bill 162. In determining this amount, use was made of management's estimates of the portion of such supplemental pensions which will be continued following the reviews 24 months and 60 months after the pension is granted and of the portion of disabled workers over age 55 who will be employed. We believe management's estimates in this regard to be reasonable.

The present value reported above makes provision for estimated payments in all future years arising from accidents that occurred on or before December 31, 1989. The portion of such payments expected to be made in 1990 is approximately \$1.37 billion. This amount was determined on the basis of the long-term assumptions appropriate for the determination of the present value. It does not represent a forecast of actual 1990 benefit payments, which will be influenced by short-term factors.

The valuation was based on the provisions of the *Workers' Compensation Act* in effect as of January 1, 1990. Full provision has been made for potential future increases in the covered earnings ceiling and in the level of pensions and temporary compensation as provided under the *Act* by using a net investment return assumption of 3% per annum, on the assumption that investment income in excess of that rate will be required to finance increases in benefits related to inflation.

Except as otherwise noted above, the methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. A complete description of the methods and assumptions employed in the valuation will be provided in our detailed report to the Board on the valuation.

In our opinion, which includes the foregoing comments, the amount of \$13.78 billion as at December 31, 1989 makes reasonable provision for future compensation, rehabilitation and pension payments and health care expenses under Schedule 1 on account of accidents that occurred on or before December 31, 1989.



Samuel Eckler, F.S.A., F.C.I.A.



David A. Short, F.S.A., F.C.I.A.

Actuaries with the
firm of Eckler Partners Ltd.
May 1, 1990

STATEMENT OF CHANGES IN FINANCIAL POSITION

WORKERS' COMPENSATION BOARD Statement of Changes in Financial Position Year Ended December 31, 1989

CASH PROVIDED BY OPERATIONS

| | 1989 | 1988 |
|--|----------------|----------------|
| | (\$ thousands) | |
| Excess of expenses over income, after increase in actuarial provision | \$ (1,119,430) | \$ (659,166) |
| Items not requiring an outlay of cash: | | |
| Amortization of realized and unrealized losses (gains) on investments | (9,352) | 15,351 |
| Amortization of discounts on investments | (115,948) | (83,279) |
| Depreciation and amortization of fixed assets | 8,951 | 5,618 |
| Provision for increase in estimated present value of future payments to Schedule 1 claimants | 2,117,000 | 1,443,000 |
| Increase in other assets | (63,879) | (85,587) |
| Increase in other short-term liabilities | 12,224 | 28,394 |
| NET POSITIVE CASH FLOW | 829,566 | 664,331 |

INVESTMENT ACTIVITIES

| | | |
|---|-------------|-----------|
| Purchases of long-term investments | 1,641,688 | 1,673,523 |
| Proceeds on sale or maturity of long-term investments | (1,060,270) | (455,378) |
| | 581,418 | 1,218,145 |
| Net (Decrease) Increase in short-term investments | 221,609 | (555,751) |
| Net cash invested | 803,027 | 662,394 |
| Purchase of fixed assets | 22,039 | 2,767 |
| | 825,066 | 665,161 |

OVERALL INCREASE (DECREASE) IN CASH DURING THE YEAR

4,500 (830)

CHANGE IN SHORT-TERM INVESTMENTS HELD TO FINANCE OPERATIONS

217,790 (140,000)

| | | |
|--------------------------------|------------|------------|
| Cash balance beginning of year | 223,725 | 364,555 |
| Cash balance end of year* | \$ 446,015 | \$ 223,725 |

* Made up of:

| | | |
|--------------------------|------------|------------|
| Cash at bank | \$ 8,225 | \$ 3,725 |
| Money market instruments | 437,790 | 220,000 |
| | \$ 446,015 | \$ 223,725 |

NOTES TO THE FINANCIAL STATEMENTS

December 31, 1989

1. NATURE OF OPERATIONS

The Workers' Compensation Board is a Crown Agency, which operates by virtue of a statute passed in 1914 and amendments thereafter.

The Board differentiates employers into two groups – referred to as Schedules 1 and 2 by the *Act*:

Schedule 1 relates to industries where the employers are required to contribute to the Workers' Compensation Board's Accident Fund, and Schedule 2 relates to self-insurers – that is, industries where employers are individually liable for the costs of compensation, health care, rehabilitative costs and pensions paid to their workforce, all of which is done for them by the Workers' Compensation Board, which is then reimbursed for these costs.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with generally accepted accounting principles.

INVESTMENTS

i) Bonds and Mortgages

Bonds and mortgages are carried at amortized cost. In the case of mortgages, amortized cost is adjusted for principal repayments.

Realized gains (losses) on the sale of bonds and mortgages are deferred and amortized over the lesser of 20 years or the period to maturity of the security sold.

ii) Stocks

Investments in stocks are carried at cost with an adjustment for market value. The market value adjustment is based on the moving average market method, where realized gains (losses) on the sale of stocks are deferred and amortized over a seven-year period. Unrealized gains (losses) in market value are taken into income and included in the value of the asset on the moving average market basis over a seven-year period.

iii) Real Estate

Real estate (units in real estate syndicates) is carried at cost with an adjustment towards market value, based on the moving average market method.

Both realized and unrealized gains and losses are deferred and amortized over a ten-year period.

iv) *Short-Term Securities*

These are money market securities which have a maturity of less than 12 months at time of purchase, and are carried at amortized cost.

Gains and losses from sales are taken into income in the period that they occur.

v) *Foreign Currency Translation*

Foreign currency investment transactions are translated into Canadian dollars using the exchange rate in effect at the time of the transaction. For valuation purposes, foreign investments are converted to Canadian dollars at the exchange rate in effect at the balance sheet date. Foreign exchange gains and losses on long-term investments are amortized and reflected in their carrying value over a seven-year period.

FIXED ASSETS

Fixed assets are stated at cost. Buildings, equipment, leasehold improvements and motor vehicles are depreciated on the straight-line method at rates calculated to amortize the cost of assets over their estimated useful lives.

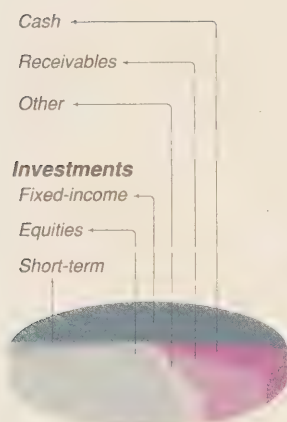
ASSESSMENT INCOME

Assessment income is determined on the basis of estimated and actual payrolls reported by employers. At year-end, an accrual is calculated to include the additional assessment anticipated as a result of the actual payrolls being greater than estimated.

LEASES

Leases are classified as either capital or operating. Capital leases are those which transfer substantially all of the benefits and risks of the ownership of property, and are recorded as the acquisition of an asset and the incurrence of an obligation. The asset is amortized over its useful life and the obligation is liquidated over the lease term. Other leases are operating leases and the related rental costs are charged to expense as incurred.

3. INVESTMENTS



Composition of Assets
1989

| | | 1989 | (\$ thousands) | 1988 | |
|--------------------------------|----|------------------|---------------------|---------------------|---------------------|
| | | Carrying Value | Market Value | Carrying Value | Market Value |
| FIXED INCOME SECURITIES | | | | | |
| Bonds | | | | | |
| - Government | \$ | 339,548 | \$ 347,592 | \$ 429,960 | \$ 432,015 |
| - Corporate | | 1,156,628 | 1,173,686 | 1,071,441 | 1,060,209 |
| Coupons | | 875,035 | 935,951 | 730,430 | 706,895 |
| Real Estate | | | | | |
| - Debentures | | 171,728 | 187,323 | 84,505 | 89,598 |
| Mortgages | | 472,296 | 472,296 | 474,014 | 458,540 |
| | | <u>3,015,235</u> | <u>3,116,848</u> | <u>2,790,350</u> | <u>2,747,257</u> |
| EQUITIES | | | | | |
| Common & Preferred Shares | | | | | |
| Domestic | | 879,929 | 973,215 | 508,295 | 527,161 |
| Foreign - U.S. | | 120,385 | 134,132 | 70,031 | 66,471 |
| - Global | | 414,312 | 395,795 | - | - |
| Real Estate - Equities | | 17,383 | 17,647 | 10,963 | 10,963 |
| | | <u>1,432,009</u> | <u>1,520,789</u> | <u>589,289</u> | <u>604,595</u> |
| SHORT-TERM | | | | | |
| - Money Market | | 125,944 | 125,944 | 483,012 | 482,599 |
| - Accrued Investment Income | | 47,875 | 47,875 | 46,662 | 46,662 |
| | \$ | <u>4,621,063</u> | <u>\$ 4,811,456</u> | <u>\$ 3,909,313</u> | <u>\$ 3,881,113</u> |

Note: As of December 31, 1989 the Board had entered into a commitment to acquire a syndicated real estate investment portfolio for \$95.6 million. This acquisition was substantially completed in January 1990. The financial statements at December 31, 1989 do not reflect this commitment.

The WCB engages in a securities lending program whereby investments of the Fund are loaned to approved borrowers, for a fee, against high quality collateral. At December 31, 1989 the total market value of securities on loan amounted to \$207 million.

4. OTHER ASSETS

| | 1989 | 1988 |
|----------------------------------|-------------------|-------------------|
| | (\$ thousands) | |
| Assessment & penalty receivables | \$ 504,621 | \$ 456,096 |
| Other receivables | 14,042 | 9,379 |
| Prepaid employee pension expense | 19,676 | 12,083 |
| Prepaid expenses | 4,140 | 2,255 |
| | <u>\$ 542,479</u> | <u>\$ 479,813</u> |

5. FIXED ASSETS

| | 1989 | | | |
|------------------------|------------------|--------------------------|------------------|-----------------------------------|
| | Cost | Accumulated Depreciation | Net Book Value | Depreciation & Amortization Rates |
| | | | | % |
| | (\$ thousands) | | | |
| Land | \$ 6,754 | \$ - | \$ 6,754 | - |
| Buildings | 11,206 | 7,526 | 3,680 | 2½ |
| Leasehold Improvements | 5,747 | 4,122 | 1,625 | 10 |
| Equipment* | 55,141 | 27,218 | 27,923 | 20 |
| Motor Vehicles | 2,048 | 1,164 | 884 | 25 |
| | <u>\$ 80,896</u> | <u>\$ 40,030</u> | <u>\$ 40,866</u> | |

* Includes capital leases, (Cost: \$17,184), which are depreciated over the useful life of the asset.

6. ESTIMATED PRESENT VALUE OF FUTURE PAYMENTS TO SCHEDULE 1 CLAIMANTS

- a) The estimated present value of future payments to Schedule 1 claimants (\$13.78 billion) is determined annually by the Board's Actuary and is reviewed by an independent consulting actuary.

This amount includes provisions for claims reported to the Board up to and including December 31, 1989, and claims for accidents which occurred on or before December 31, 1989 but which have not been reported at that date.

As in previous years, provision has not been made for future administration costs of existing claims, or for the cost of future claims for occupational/industrial diseases arising in whole or in part from employment prior to December 31, 1989, as there is no reasonable way to estimate this.

The current portion (payments expected to fall due within the next 12 months – \$1.37 billion) is shown separately on the Balance Sheet (1988: \$1.187 billion).

- b) The special provision of \$630 million relates to the transitional provisions of Bill 162, which came into effect July 26, 1989. Bill 162 expanded the supplements available to permanently disabled workers who are or will be suffering a loss of wages in excess of their permanent disability pension. Bill 162 also provides that impaired workers who are likely to benefit from a vocational rehabilitation program may be eligible to receive a supplement to their permanent partial disability pension while participating in such a program. The assumption that the future permanent Old Age Security (OAS) supplement payments that would not have been made prior to Bill 162 consists of:

- All OAS supplement payments made while the worker is under the age of 55, plus
- All OAS supplement payments made while the worker is aged 55 or above and is working.

No allowance has been made for the non-transitional provisions of Bill 162 as they only apply to injuries occurring on or after January 2, 1990.

- c) The unusual provision of \$310 million is to provide for a previously unanticipated significant increase in the now-expected number of older workers who cannot return to work and are expected to receive a permanent supplement under Section 135(4).
- d) The one-time impact of the special provision recorded in 1988 – amounting to \$154 million – related to the special costs of workers requiring rehabilitation, and who were injured in 1988 or in prior years. No such rehabilitation provision had previously been included in the Board's total liability.
- e) These financial statements do **not** include any estimate for the future payments to existing Schedule 2 claimants as this is **not** a liability of the Board: it is a liability of the Schedule 2 employers (Note 7). The same applies to federal employees covered under a separate agreement with Labour Canada.

7. SELF-INSURERS

The Board adjudicates claims and pays benefits for Schedule 2 workers in the same way as for Schedule 1, and then charges these costs to the self-insured employers, plus an administration fee for doing so. Schedule 2 consists mainly of employers in the Ontario public sector such as the province, municipalities, public libraries and school boards, but also employers in industries which cross provincial borders, such as railways, shipping, international airlines and telephone companies.

In addition, some of the self-insured employers are required to contribute to a special fund to relieve out-of-the-ordinary expenses (e.g. disaster relief) for their group. The Board requires that security deposits be placed with it by these employers. The deposits received from self-insured employers are invested and interest is paid on the deposit at a previously determined rate.

Although not legally covered by either Schedule 1 or 2 of the *Workers' Compensation Act* certain Federal Government employees in Ontario are, by separate agreement with Labour Canada, covered by the Federal Government as a "self-insurer" and the Board, therefore, treats them administratively as if they were a Schedule 2 employer.

At December 31, 1989, the balance sheet includes the following related to self-insured employers:*

| | 1989 | 1988 |
|---|------------------|------------------|
| | (\$ thousands) | |
| Held for them: | | |
| Cash | \$ | \$ 1,475 |
| Investments | 18,439 | 20,152 |
| (Market value at Dec. 31, 1989: \$19,289) | | |
| Due from them: | | |
| Receivables | 17,719 | 9,329 |
| | <u>\$ 36,158</u> | <u>\$ 30,956</u> |

* Including approximately \$1,300 held for various branches of the Federal Government (1988 - \$1,300).

Self-insured employers are individually liable for all current and future claim costs. The Board does **not** make provision for the future liabilities of any self-insured employers or the Federal Government, for current and past claims, nor does it recognize the future benefits which it will pay as these will be reimbursed in full (plus a fee to cover its administrative and other costs).

8. ACCOUNTS PAYABLE AND ACCRUED CHARGES

| | 1989 | 1988 |
|--|-------------------|-------------------|
| | (\$ thousands) | |
| Accounts payable and accrued charges | \$ 84,986 | \$ 85,163 |
| Accrued sick leave and vacation credits | 37,575 | 32,990 |
| Cheques issued and not yet cashed | 43,696 | 40,794 |
| Refunds due to employers under experience rating adjustments | 128,300 | 132,539 |
| | <u>\$ 294,557</u> | <u>\$ 291,486</u> |

9. ASSESSMENT INCOME

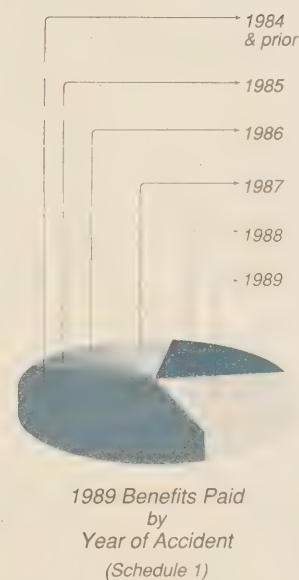
| | 1989 | | 1988 | |
|--------------------|-------------------|--------------------------------------|---------------------|---------------------|
| | Self-Insured | Insured Through Collective Liability | Total | Total |
| | | (\$ thousands) | | |
| Assessment Income | \$ 194,740 | \$ 2,525,079 | \$ 2,719,819 | \$ 2,453,653 |
| Penalties | 78 | 74,322 | 74,400 | 87,767 |
| Bad Debts | (288) | (98,556) | (98,844) | (98,679) |
| Experience Rating* | — | (17,458) | (17,458) | (65,479) |
| | <u>\$ 194,530</u> | <u>\$ 2,483,387</u> | <u>\$ 2,677,917</u> | <u>\$ 2,377,262</u> |

* The Workers' Compensation Board has had a form of experience rating since 1953. It offers refunds and surcharges based on injury frequency rates and costs. In 1983, the Board introduced an experience rating system (CAD-7) for the construction industry. A New Experimental Experience Rating plan (NEER) was introduced in 1984, and is continuing to be refined. Participation in the NEER program is optional for all non-construction rate groups. Where possible, provisions are established to cover future adjustments arising from current and past years' experience. However, consistent with normal insurance industry practice, it is intended that rebates and surcharges under these programs will generally balance out in the long-term.

10. BENEFITS PAID

| | 1989 | | 1988 | |
|------------------------------------|-------------------|--------------------------------------|---------------------|---------------------|
| | Self-Insured | Insured Through Collective Liability | Total | Total |
| | | (\$ thousands) | | |
| Temporary Compensation | \$ 71,638 | \$ 622,938 | \$ 694,576 | \$ 676,695 |
| Health Care | 19,301 | 198,703 | 218,004 | 206,802 |
| Rehabilitation | 16,365 | 216,899 | 233,264 | 214,914 |
| Worker Pensions* | 52,858 | 505,130 | 557,988 | 439,661 |
| Dependency | 9,040 | 72,590 | 81,630 | 89,288 |
| | <u>169,202</u> | <u>1,616,260</u> | <u>1,785,462</u> | <u>1,627,360</u> |
| Less: recovered from third parties | — | 3,732 | 3,732 | 2,893 |
| | <u>\$ 169,202</u> | <u>\$ 1,612,528</u> | <u>\$ 1,781,730</u> | <u>\$ 1,624,467</u> |

* 1989 Worker Pensions include Bill 162 supplements paid to disability pension recipients - \$14 million (1988 - nil). The significant increase in worker pensions payments in 1989 arose out of delays in awarding worker permanent disability pensions during 1988, and a change in the dates when regular monthly pension payments were issued in 1989. Had these estimated events not occurred, it is estimated that worker pension payments would have amounted to \$522 million in 1989 and \$463 million in 1988.



The benefit categories are defined below:

Temporary Compensation

These benefits are paid to injured workers to compensate them for temporary losses of earnings due to temporary disabilities arising out of work-related injuries.

Health Care

This category includes payments made to health care professionals, such as physicians and treating agencies, who provide health care treatment to injured workers.

Rehabilitation

These payments include income support payments to workers who are preparing to return to employment, plus payments to agencies for the delivery of vocational and medical rehabilitation services.

Worker Pensions

Pensions are paid to workers who have suffered partial or total permanently disabling injuries.

Dependency

These are payments made to dependents of workers who have died as the result of work-related injuries/diseases.

Recoveries

Claims against third parties responsible for industrial accidents are deducted from paid benefits upon their receipt.

11. INVESTMENT INCOME

| | 1989 | | | 1988 |
|---|------------------|--|-------------------|-------------------|
| | Self- Insured | Insured Through Collective Liability (\$ thousands) | Total | Total |
| Investment income | \$ 2,598 | \$ 402,981 | \$ 405,579 | 334,729 |
| Add/Deduct: | | | | |
| ▪ Amortization of gains and losses (net of foreign exchange gains and losses) | | | | |
| – Realized | (4) | (8,620) | (8,624) | (3,406) |
| – Unrealized | – | 17,976 | 17,976 | (11,945) |
| ▪ Administration expenses | – | (1,448) | (1,448) | (813) |
| ▪ Investment fees | – | (1,984) | (1,984) | (446) |
| ▪ Interest paid on deposits | (2,268) | – | (2,268) | (2,105) |
| | <u>\$ 326</u> | <u>\$ 408,905</u> | <u>\$ 409,231</u> | <u>\$ 316,014</u> |

12. ADMINISTRATIVE AND OTHER EXPENSES

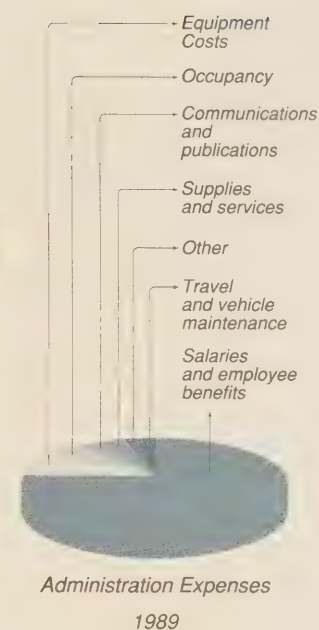
The total operating expenses for the Workers' Compensation Board were:

| | 1989 | | 1988 | |
|------------------------|------------------|--------------------------------------|-------------------|-------------------|
| | Self-Insured | Insured Through Collective Liability | Total | Total |
| | (\$ thousands) | | | |
| Administration | \$ 25,654 | \$ 208,081 | \$ 233,735 | \$ 214,432 |
| Accident Prevention | — | 47,657 | 47,657 | 43,909 |
| Legislated Obligations | — | 26,456 | 26,456 | 26,634 |
| | <u>\$ 25,654</u> | <u>\$ 282,194</u> | <u>\$ 307,848</u> | <u>\$ 284,975</u> |

The expenses for collective liability insurers are more fully described below:

a) ADMINISTRATION EXPENSES*

| | 1989 | 1988 |
|---|-------------------|-------------------|
| | (\$ thousands) | |
| Salaries and employee benefits | \$ 175,294 | \$ 163,066 |
| Travel and vehicle maintenance | 4,362 | 3,668 |
| Supplies and services | 7,085 | 5,685 |
| Equipment costs, including depreciation | 18,727 | 13,447 |
| Occupancy costs | 13,775 | 14,583 |
| Communications and publications | 10,978 | 11,087 |
| Other | 6,494 | 5,135 |
| | <u>\$ 236,715</u> | <u>\$ 216,671</u> |



Less expenses related to:

| | | |
|--|-------------------|-------------------|
| Self-insurers | 25,654 | 23,239 |
| Downsview Rehab. Centre | 1,532 | 1,426 |
| Investments | <u>1,448</u> | <u>813</u> |
| | <u>28,634</u> | <u>25,478</u> |
| Net charge to Statement of Income and Expenses | <u>\$ 208,081</u> | <u>\$ 191,193</u> |

* Includes remuneration and expenses for the Board of Directors of \$358 in 1989 (\$357 in 1988). This excludes legal expenses paid by the WCB on behalf of its external Board members.

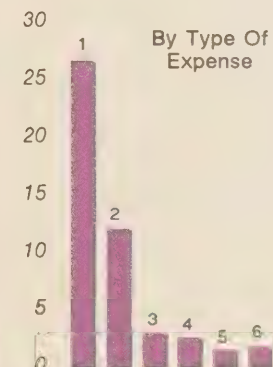
b) ACCIDENT PREVENTION EXPENSES

By Category:

| | 1989 | 1988 |
|---|------------------|------------------|
| | (\$ thousands) | |
| Salaries & employee benefits | \$ 26,575 | \$ 24,000 |
| Travel and vehicle maintenance | 3,017 | 3,130 |
| Supplies and services | 692 | 1,110 |
| Equipment costs, including depreciation | 1,482 | 1,279 |
| Occupancy costs | 2,634 | 2,343 |
| Communications and publications | 12,128 | 12,421 |
| Other | 1,129 | (374) |
| | <u>\$ 47,657</u> | <u>\$ 43,909</u> |

ACCIDENT PREVENTION 1989

(\$ millions)

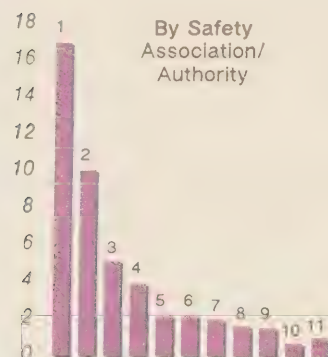


LEGEND

1. Salaries & employee benefits
2. Communications & publications
3. Travel
4. Occupancy
5. Equipment
6. Supplies, services & other

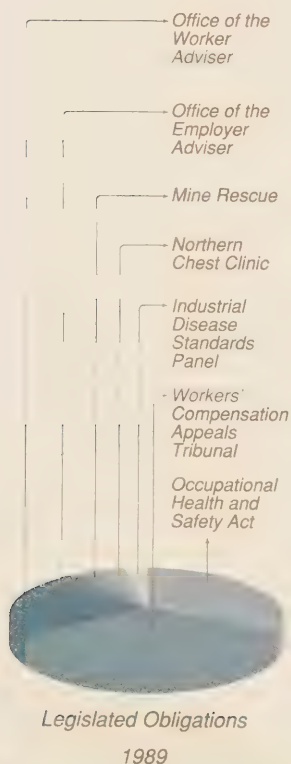
ACCIDENT PREVENTION 1989

(\$ millions)



LEGEND

1. IAPA
2. Construction Safety Assoc.
3. Grants
4. OHSEA
5. Mines Acc. Prev. Assoc.
6. Elec. Utilities Safety Assoc.
7. Health Care Occ. Health & Safety Assoc.
8. Forest Products Accident Prevention Assoc.
9. Trans. Safety Assoc.
10. Ont. Pulp & Paper Makers Safety Assoc.
11. The Farm Safety Assoc.



By Safety Association:

| | 1989 | 1988 |
|--|---------------|---------------|
| Construction Safety Association of Ontario | \$ 10,064 | \$ 9,229 |
| Electrical Utilities Safety Association of Ontario | 2,001 | 1,893 |
| Forest Products Accident Prevention Association | 1,675 | 1,563 |
| The Farm Safety Association Inc. | 1,023 | 965 |
| Health Care Occupational Health & Safety Association | 2,225 | 1,815 |
| Industrial Accident Prevention Association | 16,936 | 15,853 |
| Mines Accident Prevention Association of Ontario | 2,277 | 2,236 |
| Ontario Pulp & Paper Makers Safety Association | 780 | 732 |
| Transportation Safety Association of Ontario | 1,505 | 1,362 |
| | <u>38,486</u> | <u>35,648</u> |

| | | |
|--|-------|-------|
| Occupational Health and Safety Education Authority | 3,991 | 3,806 |
|--|-------|-------|

Safety & Educational Grants:

| | | |
|-----------------------------------|------------------|------------------|
| Tourism Ontario | 844 | 727 |
| Workers' Health and Safety Centre | 4,336 | 3,728 |
| | <u>\$ 47,657</u> | <u>\$ 43,909</u> |

On January 24, 1989 an *Act to amend the Occupational Health and Safety Act* (Bill 208) was tabled in the Legislature by the Minister of Labour. Among the proposed amendments is the creation of the Workplace Health and Safety Agency, which will oversee the Safety Associations (except The Farm Safety Association Inc.), the Occupational Health and Safety Education Authority and the Workers' Health and Safety Centre of the Ontario Federation of Labour.

The proposed Agency will be funded by the Workers' Compensation Board and the Provincial Treasury. However, at this time, it is not known whether current funding levels will be altered when, and if, the programs are transferred from the Workers' Compensation Board to the new Agency.

c) LEGISLATED OBLIGATIONS

The Workers' Compensation Board is obligated to defray the administrative costs of the *Occupational Health and Safety Act* for the Government of Ontario. The Board's cost has been accrued based on the calendar year just ended.

| | 1989 | 1988 |
|---|------------------|------------------|
| | (\$ thousands) | |
| Occupational Health and Safety Act | \$ 8,500 | \$ 7,724 |
| Industrial Disease Standards Panel | 665 | 604 |
| Mine Rescue | 1,257 | 1,304 |
| Workers' Compensation Appeals Tribunal (WCAT) | 8,573 | 9,366 |
| Office of the Worker Adviser | 4,944 | 5,122 |
| Office of the Employer Adviser | 1,517 | 1,508 |
| Northern Chest Clinics | 1,000 | 1,006 |
| | <u>\$ 26,456</u> | <u>\$ 26,634</u> |

Under Section 86 of the *Workers' Compensation Act*, the Board is obligated to pay the administrative costs of the Workers' Compensation Appeals Tribunal, the Offices of the Worker and Employer Adviser, and the Industrial Disease Standards Panel. All of these autonomous bodies are staffed and managed independent of the Workers' Compensation Board.

WCAT heard 1,163 appeals in 1989 (1,093 in 1988).

Mine rescue costs represent the establishment, maintenance and operation of mine rescue stations, under the *Occupational Health and Safety Act*, as set out in Section 1 (1)(b) of the *Workers' Compensation Act*.

13. RELATED PARTY TRANSACTIONS

In addition to the legislated obligations referred to above, the financial statements also include amounts resulting from routine operating transactions conducted at prevailing market prices with various Ontario Government-controlled ministries, agencies, and Crown corporations with which the Board might be considered related.

Account balances resulting from these transactions are included in the financial statements and are settled on normal trade terms.

14. COMMITMENTS AND CONTINGENCIES

a) Leases

At December 31, 1989, the Workers' Compensation Board was committed under non-cancellable leases requiring future minimum payments as follows:

| | Office Capital | Other Space | Operating | Total |
|-------------------------------------|-------------------|------------------|------------------|------------------|
| | (\$ thousands) | | | |
| 1990 | \$ 6,032 | \$ 8,391 | \$ 4,969 | \$ 19,392 |
| 1991 | 2,965 | 7,933 | 3,766 | 14,664 |
| 1992 | 1,000 | 7,201 | 1,871 | 10,072 |
| 1993 | — | 6,931 | 345 | 7,276 |
| 1994 | — | 4,378 | 214 | 4,592 |
| Beyond 5 years | — | 2,330 | — | 2,330 |
| Total minimum payments | <u>\$ 9,997</u> | <u>\$ 37,164</u> | <u>\$ 11,165</u> | <u>\$ 58,326</u> |
| Less: | | | | |
| Amount representing interest | <u>1,035</u> | | | |
| Obligations under capital leases | <u>\$ 8,962</u> | | | |

The Board rents office space and equipment under operating lease arrangements having various expiry dates. Shown on page 47 are the aggregate minimum annual rental payments under these arrangements. The "Other" operating leases represent long-term equipment rentals.

b) Investment Commitments

At December 31, 1989, future investment transactions outstanding amounted to \$62 million, primarily consisting of commitments to future mortgage advances (1988 – \$59 million), for which dates are not generally determined, and are therefore not reflected in these Financial Statements.

c) Pending Legislation

On December 5, 1989, Bill 68, the Ontario Motorist Protection Plan (no-fault insurance) passed its second reading in the Ontario Legislature.

In the past, injured workers could elect to subrogate their rights of action to the Board, and the Board would then be able to recover damages from third parties. Except in very serious cases, this right of action will no longer exist. As well, injured workers who in the past could elect to take their own actions, thereby waiving their entitlement to workers' compensation benefits, will now receive these benefits.

It is estimated that the effect of these changes will be an increase in benefit costs of approximately \$11 million per year.

No provision has been made in these accounts for any impact from Bill 68.

d) Legal Actions

Asbestosis

In December of 1986 the U.S. Bankruptcy Court approved a plan to establish the Manville Settlement Trust with assets in excess of \$2 billion. Claims may be made against the Trust for injuries that workers or others may have suffered due to exposure to Johns-Manville asbestos products.

The Workers' Compensation Board has, for some years, been paying benefits and expenses to workers suffering from asbestos-related diseases. In view of this, the Board, in 1987, took steps to exercise any subrogated rights that it might have in respect of asbestos-related claims filed with the Board since 1975 by Ontario workers or their dependents.

At this time the amount the Board might recover from the Manville Trust cannot be quantified.

Other

The Board is party to various claims and lawsuits which are being contested. In the opinion of management, the outcome of such claims and lawsuits will not have a material adverse effect on the Board.

15. UNFUNDED LIABILITY

The Workers' Compensation Board has implemented a strategy to eliminate this liability by the year 2014. Schedule 1 assessment rates include an unfunded liability surcharge, which is modified each year according to the size of the unfunded liability.

16. EMPLOYEE BENEFITS

Included in salaries and benefits is \$16.7 million for employee benefits (1988: \$22.2 million). Additional details follow:

a) *Superannuation*

The Board has a defined benefit-based pension plan for its employees, and employees of the provincial safety associations, which provides for pensions based on years of service and earnings rates near retirement. The investment activities and the administrative and accounting matters of the pension plan are administered by the Board free of charge.

An independent actuarial valuation has determined that the Fund is in a surplus position.

As at December 31, 1989 the plan's funded status was:

| | 1989 | 1988 |
|------------------|----------------|------------|
| | (\$ thousands) | |
| Pension assets | \$ 356,502 | \$ 307,507 |
| Accrued benefits | \$ 259,322 | \$ 229,892 |

Current contribution levels by both employer and employees, and current pension entitlements, are under review to ensure compliance with recent pension reform and amendments to the existing plan will likely be implemented during 1990.

Net employer's pension expense for 1989 for this defined benefit-based pension plan consists of the following components:

| | 1989 | 1988 |
|--|----------------|----------|
| | (\$ thousands) | |
| Current service cost for current employees | \$ 9,706 | \$ 8,104 |
| Interest added to accrued benefits | 16,729 | 14,807 |
| Interest received on pension fund assets | (21,628) | (19,479) |
| Amortization of surplus | (4,277) | (3,942) |
| Net pension expense (income) | \$ 530 | \$ (510) |

b) *Other Employee Costs*

The Board provides comprehensive health insurance coverage to its permanent full-time and regular part-time staff at an annual cost of \$4.7 million (1988: \$3.8 million). The benefits include health insurance, dental, long-term disability and life insurance. The Board also provides vacation and sick leave benefits for its employees.

The Board is itself, a self-insured employer for purposes of workers' compensation, and payments related to workplace injuries are expensed as they are incurred.

In 1989 such costs amounted to approximately \$716,000 and as at December 31, 1989, the Board's actuaries estimated the net present value of future payments arising from past injuries at approximately \$5 million.

c) Retiree Programs

The Board provides retiree programs for its employees, including bi-annual pre-retirement programs for employees approaching retirement age. Retirees' health benefit coverage is provided by the Board, at a cost of \$427,416 (1988: \$394,579) which includes supplementary health, vision care, dental and life insurance.

Board payments for retiree programs are expensed as costs are incurred, except that in 1988 the Board set aside \$8.5 million to fund (pre-pay) a pensioners' life insurance benefit for certain long-term employees to recognize a life insurance retirement benefit commitment to this employee group. As at December 31, 1989 the balance in this fund had grown to \$9.3 million.

d) Safety Associations

The financial statements and notes exclude all costs related to Safety Association employees. The Safety Associations are separate legal entities and as such are responsible for their individual reporting requirements: the Board funds their operations but is not otherwise responsible for their employees.

17. COMPARATIVE FIGURES

- Certain of the comparative figures have been reclassified to correspond to the current year's presentation.

TEN-YEAR HISTORY

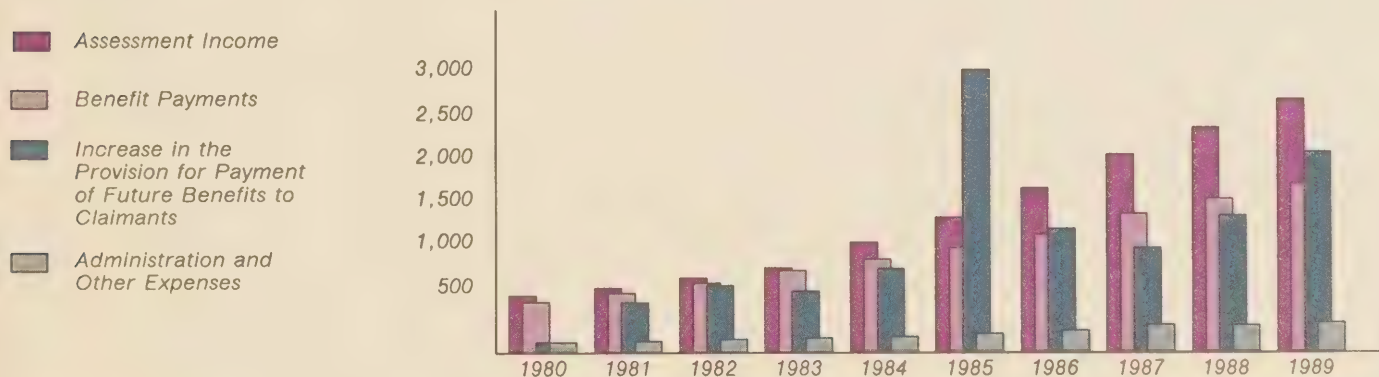
TEN-YEAR SUMMARY OF THE STATEMENT OF INCOME AND EXPENSES

(\$ thousands)

| WORKERS' COMPENSATION BOARD (Schedules 1 and 2) | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> |
|---|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| INCOME | | | | | | | | | | |
| Assessment income | \$591,882 | \$673,247 | \$ 781,201 | \$ 882,458 | \$1,160,272 | \$1,424,310 | \$1,737,312 | \$2,091,929 | \$2,377,262 | \$2,677,917 |
| Investment income | 141,437 | 166,045 | 170,066 | 166,574 | 175,803 | 186,347 | 216,705 | 272,713 | 316,014 | 409,231 |
| | <u>733,319</u> | <u>839,292</u> | <u>951,267</u> | <u>1,049,032</u> | <u>1,336,075</u> | <u>1,610,657</u> | <u>1,954,017</u> | <u>2,364,642</u> | <u>2,693,276</u> | <u>3,087,148</u> |
| EXPENSES | | | | | | | | | | |
| Benefits paid | 526,989 | 620,513 | 725,915 | 860,093 | 978,611 | 1,098,526 | 1,246,269 | 1,463,509 | 1,624,467 | 1,781,730 |
| Provision for increase in estimated present value of future payments to existing Schedule 1 claimants | | | | | | | | | | |
| - normal | 100,000 | 160,000 | 365,000 | 293,000 | 276,000 | 1,130,000 | 1,054,000 | 1,096,000 | 1,289,000 | 1,177,000 |
| - special (Bill 162) | — | — | — | — | — | — | — | — | — | 630,000 |
| - unusual | — | 360,000 | 335,000 | 347,000 | 604,000 | *1,860,000 | 250,000 | — | 154,000 | 310,000 |
| Total value of claims/awards | <u>626,989</u> | <u>1,140,513</u> | <u>1,425,915</u> | <u>1,500,093</u> | <u>1,858,611</u> | <u>4,088,526</u> | <u>2,550,269</u> | <u>2,559,509</u> | <u>3,067,467</u> | <u>3,898,730</u> |
| Administration and other expenses | 100,070 | 116,646 | 137,325 | 146,141 | 162,624 | 192,458 | 230,124 | 288,613 | 284,975 | 307,848 |
| | <u>727,059</u> | <u>1,257,159</u> | <u>1,563,240</u> | <u>1,646,234</u> | <u>2,021,235</u> | <u>4,280,984</u> | <u>2,780,393</u> | <u>2,848,122</u> | <u>3,352,442</u> | <u>4,206,578</u> |
| Excess of expenses over income | 6,260 | (417,867) | (611,973) | (597,202) | (685,160) | (2,670,327) | (826,376) | (483,480) | (659,166) | (1,119,430) |
| Unfunded liability beginning of year | (404,533) | (398,273) | (816,140) | (1,428,113) | (2,025,315) | (2,710,475) | (5,380,802) | (6,207,178) | (6,690,658) | (7,349,824) |
| Unfunded liability end of year | <u>(\$398,273)</u> | <u>(\$816,140)</u> | <u>(\$1,428,113)</u> | <u>(\$2,025,315)</u> | <u>(\$2,710,475)</u> | <u>(\$5,380,802)</u> | <u>(\$6,207,178)</u> | <u>(\$6,690,658)</u> | <u>(\$7,349,824)</u> | <u>(\$8,469,254)</u> |

*Amendment by the passage of Bill 81, which indexed future annual increases in pensions and temporary compensation payments based on the change in the consumer price index.

(\$ millions)



OTHER STATISTICS

| | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>1983</u> | <u>1984</u> | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total assessable payroll (based on employer estimates in \$ millions) | \$ 32,685 | \$ 37,437 | \$ 40,891 | \$ 42,293 | \$ 48,771 | \$ 57,025 | \$ 61,574 | \$ 67,974 | \$ 73,789 | \$ 84,800 |
| Number of WCB employees as at December 31 each year* | N/A | N/A | N/A | 3,217 | 3,378 | 3,735 | 4,218 | 4,211 | 4,387 | 4,611 |
| Incidents reported as work injuries | 444,674 | 415,044 | 349,747 | 344,758 | 388,845 | 426,880 | 442,080 | 469,681 | 489,819 | 467,243 |

N/A — Not available

*Includes part-time and temporary staff



GLOSSARY OF TERMS

Assessment Rate: The rate applied to determine the amount of money an employer in Schedule 1 pays the Workers' Compensation Board (WCB). Based on the industry, a firm is assessed a set amount per \$100 of payroll.

Claims Adjudication: The process that determines an injured worker's entitlement to benefits under the *Workers' Compensation Act*.

Claims Adjudicator: A specially trained employee of the WCB charged with determining a worker's entitlement in a claim, in accordance with the *Act*.

Client Contact: Strategy undertaken by the WCB to improve voice communications with injured workers, employers and others who deal with the Board.

Community Clinic: A treating agency independent of the WCB which provides health care services to injured workers with soft-tissue injuries on a fee-for-service basis.

CRS: Claims Registration System. An automated process that speeds up claims registration within the Board and works in conjunction with the Workers' Benefit System (WBS).

Dual-Award: System of compensating permanently impaired workers in two possible ways – for loss of earnings and for loss of enjoyment of life.

Economic Loss: Future loss of earnings of a worker who has suffered an injury resulting in permanent impairment or temporary disability for 12 continuous months. This is the first part of the dual-award system, which came into effect under Bill 162.

IDSP: Industrial Disease Standards Panel. Independent body funded by the WCB which conducts research on industrial diseases and makes recommendations on those diseases that should be compensated.

Imaging: Technology the WCB has adopted in a move towards the paperless office. Claim files, correspondence and other paper that comes into the Board can be accessed by adjudicators on special computer terminals simultaneously and province-wide.

ISU: Integrated Service Unit. Injured workers are assigned to a specific Unit based on their employer's postal code. ISUs apply the team approach to decision-making on claims, health care and rehabilitation.

Medical Rehabilitation: Early involvement in treating injured workers within, or close to, their own communities. Includes a shorter rest period after an injury and early, active physical therapy. If recovery is prolonged, rehabilitation may also include further health care assessments and an evaluation of physical abilities.

NEER: New Experimental Experience Rating. A plan that issues refunds or surcharges to firms in participating rate groups on their assessment, depending on the firm's accident cost experience. The plan is designed to provide incentives to firms to improve workplace safety.

Non-Economic Loss: Workers who suffer an injury resulting in permanent impairment may receive a monetary award for the loss of enjoyment of life. This is the second part of the dual-award system, which came into effect under Bill 162.

OAS: Old Age Security. Payments to eligible injured workers under federal legislation.

Ontario Workers' Compensation Institute: Operated by its own independent Board of Directors, with funding by the WCB, it is designed to conduct research on occupational injuries and rehabilitation. Also monitors quality standards for community clinics and regional evaluation centres.

REC: Regional Evaluation Centre. Provides health care assessments for injured workers whose recovery is prolonged. Also provides functional abilities evaluations.

Schedule 1 and 2: Employers in Ontario are categorized as either Schedule 1 or Schedule 2. Schedule 1 employers are required to pay annual assessments, which form the Board's Accident Fund. Compensation and health care for injured workers are paid for out of this Fund and administered by the Board. The majority of employers in Ontario form Schedule 1. Under Schedule 2, each employer is liable for paying the compensation and health care costs of any worker who suffers an occupational accident or disease. Employers in this category include: municipal, provincial and federal governments, railways, airlines and telephone companies.

Stakeholders: Individuals or groups who have a special interest – or stake – in the WCB. Includes injured workers, labour, employers and health care professionals.

Survivor: A spouse or dependent of a worker who dies as a result of a workplace injury or disease.

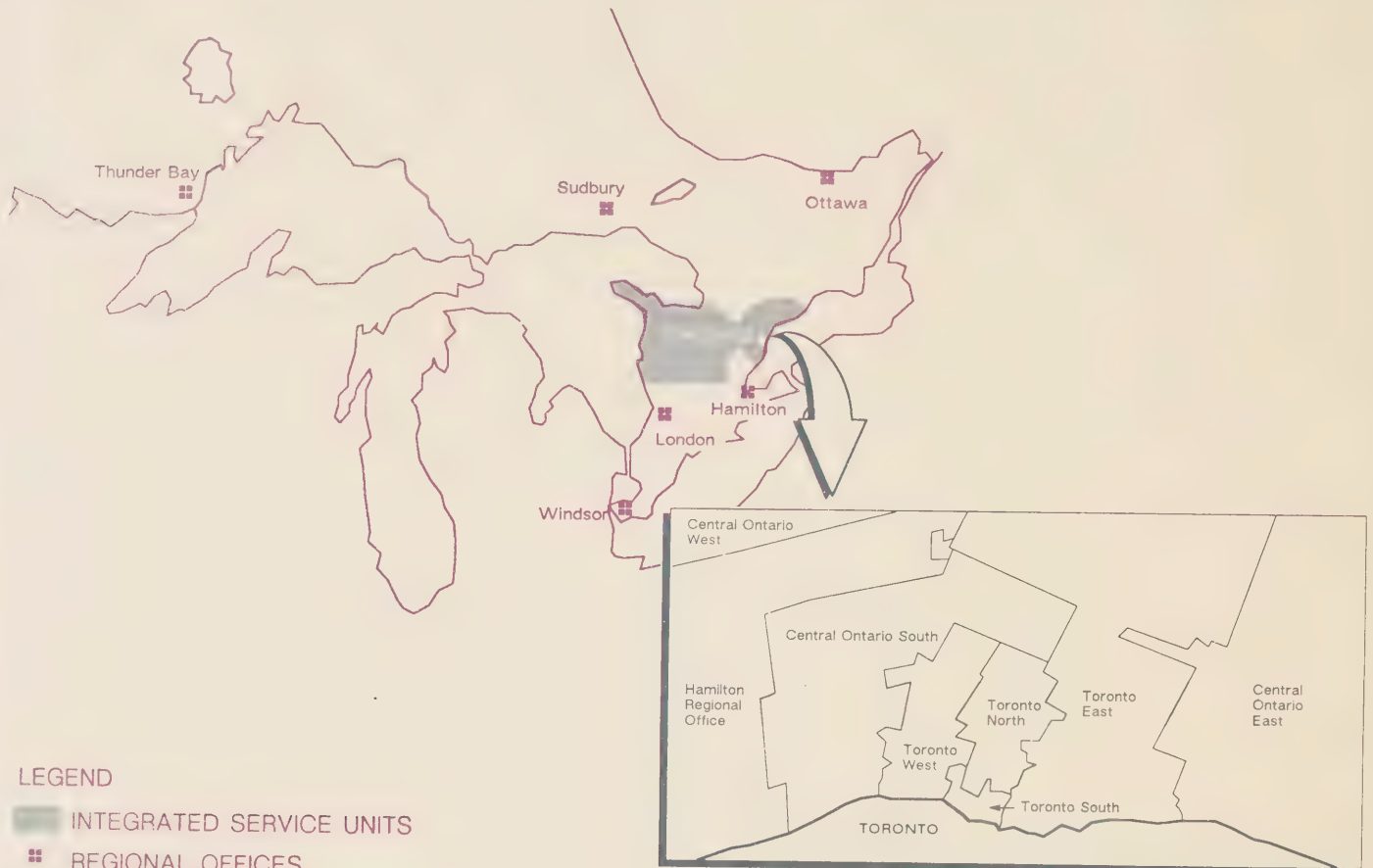
Unfunded Liability: The difference between the present value of the Board's liabilities and its assets.

Vocational Rehabilitation: A program designed to re-establish, as much as possible, an injured worker's pre-accident earnings profile.

WBS: Workers' Benefit System. An automated system that speeds up the payment process to injured workers. The system also provides more timely, on-line information for the management of claims.

WCAT: Workers' Compensation Appeals Tribunal. Legislated in 1985, WCAT is the final stage of appeal for a worker or employer who objects to a Board decision. WCAT operates independently of the WCB.

WCB REGIONAL OFFICES AND INTEGRATED SERVICE UNITS



WORKERS' COMPENSATION BOARD OFFICES

HEAD OFFICE

Toronto
2 Bloor Street East
Toronto, Ontario
M4W 3C3
(416) 927-9555

INFORMATION CENTRE

*Toronto Claims
Information Centre*
1382 St. Clair Avenue West
Toronto, Ontario
M6E 1C6
(416) 965-8864

REGIONAL OFFICES

Hamilton
120 King Street West
Hamilton, Ontario
L8P 4V2
(416) 523-1800

London
148 Fullarton Street
London, Ontario
N6A 5P3
(519) 663-2331

Ottawa
360 Albert Street
Suite 200
Ottawa, Ontario
K1R 7X7
(613) 238-7851

Sudbury
30 Cedar Street
Sudbury, Ontario
P3E 1A4
(705) 675-9301

Thunder Bay
P.O. Box 7000
410 Memorial Avenue
Thunder Bay, Ontario
P7C 5S2
(807) 343-1710

Windsor
235 Eugenie Street West
Windsor, Ontario
N8X 2X7
(519) 966-0660

AREA OFFICES

Kingston
234 Concession Street
Suite 304
Kingston, Ontario
K7K 6W6
(613) 544-9682

Kitchener/Waterloo
151 Frederick Street
Kitchener, Ontario
N2H 2M2
(519) 576-4130

North Bay
128 McIntyre Street West
North Bay, Ontario
P1B 2Y6
(705) 472-5200

St. Catharines
Lake-Carlton Plaza
161 Carlton Street
Suite 201
St. Catharines, Ontario
L2R 1R5
(416) 687-8622

Sault Ste. Marie
369 Queen Street East
Suite 101
Sault Ste. Marie, Ontario
P6A 1Z4
(705) 942-3002

Timmins
Hollinger Court
100 Waterloo Road
Timmins, Ontario
P4N 4X5
(705) 267-6427

*Long-distance callers may contact Board offices serving their area free of charge.
For toll-free numbers consult your local telephone directory.*



Workers'
Compensation
Board

Commission
des accidents
du travail

028210008

NOV 21 1990

